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# China Report

RED FLAG

No. 13, 1 Jul 1984

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## CHINA REPORT

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Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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ERRATUM: In JPRS-CRF-84-014 of 3 August 1984, in article titled "Valuable Exploratory Work, Useful Enlightenment" on page 57, paragraph 2, line 4 should read: ...employing more than 2,800 workers....	

## COMRADE CHEN YUN AND THE ART OF PINGTAN

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 2-10

[Article by Chen Yong [7115 8673]]

[Text] I fear that it is only when they read "Discussions and Correspondence Concerning Pingtan" that many people understand the concern and interest that Comrade Chen Yun has had for so many years for the wide, mass art form of Pingtan, and the many important opinions he has expressed concerning its ideology, principles, and policies, as well as its creation and performance. Pingtan artists became aware of this a long time ago. Many Pingtan artists themselves have read Comrade Chen Yun's personal guidance. This famous work was published last year, and it is very possible that it will be widely disseminated throughout the artistic world.

### I

Comrade Chen Yun's famous work represents a valuable treasure of Marxist artistic ideology. It has absorbed not only our, and primarily Comrade Chen Yun's own practice in leading Pingtan, and it eloquently and convincingly demonstrates how a leader is able to lead literature and art well.

There have always been differences of opinion on the question of the party's leadership of literature and art. One influential school of thought holds that if the party's leadership of literature and art is too concrete, if there is too much "intervention," then there is no hope for art and literature. Surely we cannot say that the true essence of correct party leadership in art and literature is that it should not be too concrete? Clearly we cannot consider that correct party leadership of art and literature is simply leadership by some general principles and that the party should not involve itself in any concrete problems or any concrete artistic phenomena. Party leadership of art and literature requires constant assessment of new experiences and research into new problems, and the party must pay very close attention to the leadership of artistic creation, performances, and theoretical criticism, providing all necessary guidance. Party leadership must also use the weapon of artistic criticism in order to manifest the party's ideology and principles and this, even more than before, cannot avoid expounding on concrete works of art and literature and concrete questions and problems. Clearly this kind of leadership cannot be done via general

principles. Naturally no leadership can replace the creative work of art and literature itself, nor can it interfere in the socialist-based creative freedom of writers and artists or in their freedom of choice of form and content. However, what we are saying here is simply that the party cannot meddle in the jobs of artists and writers or crudely interfere in their work. This has nothing to do with the actual problems of leadership. The essence of these problems lies in whether the leadership is scientific and seeks truth from facts or whether it is simply subjective. They also lie in if it conforms with the laws of art and literature and whether it is carried out on the basis of investigation and research, or whether it ignores the laws of art and literature and diverges from reality.

What kind of leadership is correct which corresponds with the laws of art and literature and seeks truth from facts? Comrade Chen Yun's "Discussions and Correspondence Concerning Pingtan" provides an effective answer to this very question, and provides an extremely good model by which the party can correctly lead art and literature.

It has never been very easy for the leaders of a party and a country to show steady and close concern for art and literature in the course of their busy work. It is even harder to personally become involved in investigative research in order to bring to light the past and present conditions of one area of art and literature and to then carry out systematic guidance and leadership. I believe that many of those who read his famous work for the first time will be astonished and very admiring of the work style and spirit Comrade Chen Yun displays in his work.

The most inspirational and educational thing about Comrade Chen Yun's discussions and correspondence concerning Pingtan is that it epitomizes the Communist Party's ardent enthusiasm and extreme sense of responsibility for the revolutionary cause, and it also embodies the healthy tradition of investigative research, which the party has always stressed. Comrade Chen Yun has always been very knowledgeable about the art of Pingtan, and it should be said that he fully deserves the title of Pingtan expert. However, despite this, he still felt that he should carry out comprehensive and systematic investigative research into Pingtan, so as to be able to correctly lead and guide it. In order to systematically and comprehensively understand the present condition of Pingtan work, Comrade Chen Yun asked responsible cadres of the Shanghai City People's Pingtan Ensemble to provide him with a full list of all Pingtan artists in Shanghai, Suzhou, and Changshu at that time (1960). He then asked for explanations of their repertoires and clarification about whether their storytelling was "individual" or "partnership" style. In order to understand the situation even better, Comrade Chen Yun also asked them to help him to draw up a list of Pingtan performance programs from the previous few years. All this appears in a letter that Comrade Chen Yun wrote on 6 January 1960 to Wu Zongxi and Li Qingfu, the two people then in charge of the Shanghai City People's Pingtan Ensemble. At first glance this letter appears to be very routine and matter-of-fact and contains nothing of essential or vital significance. But in actual fact, it is here that we gain a deep understanding of Comrade Chen Yun's spirit of thorough and exhaustive investigative research based on

actual materials. This spirit of investigative research is the Marxist theory of knowledge and is the basis on which Comrade Chen Yun was able to advance his own accurate opinions and achieve accurate leadership and guidance.

As Wu Zongxi, Zhou Liang, and Shi Zhenmei recall, from 1958 Comrade Chen Yun "listened to just about every major Pingtan artist and performance, and recordings of every major Pingtan recital, thus coming into broad contact with Pingtan artists, creators, and leading cadres, gaining a comprehensive understanding of the subject from the contents of the recitals and the characteristics of the art form to the proportion of speaking and singing involved, the performance time, the results of the performances, and the reactions of the audiences. Then he used the historical dialectic viewpoint to analyze and compare." ("Thoroughly Study Comrade Chen Yun's Works Concerning Pingtan Work," FOLK ART, No 12, 1983)

"Without investigation there can be no right to speak." In contrast to some bureaucratic, routinist, opinionated, impressionable leaders who like generalizations to replace policies, Comrade Chen Yun has carried out his work strictly on the basis of Marxist methods of understanding. Deviations do occur from time to time in the leadership of art and literature, but these are all basically the result of a departure from reality, and the source of such deviations can always be found in the method of understanding. Being opinionated and replacing policies with generalizations are both manifestations of a departure from reality, which is very easy to understand. But is it right to say that bureaucratism and a routine structure are also manifestations of a departure from reality? The only difference is that this departure from reality is a form of departure in which one "cannot see the forest for the trees." "To sink into routine work is to be unable to improve leadership." These two sentences uttered by Comrade Chen Yun in 1960 are still useful advice for us today. Simple and crude interference in art and literature has happened quite regularly in the past, and even today it has not been completely eradicated and is often the result of a lack of thorough investigative research, a failure to grasp the laws of art and literature, and an insufficient understanding of the reality of art and literature. In Comrade Chen Yun's "Discussions and Correspondence Concerning Pingtan," we clearly come to understand that only through investigative research and a grasp of the laws of art and literature can there be any accurate and effective leadership of them, including both leadership and guidance of principles and concrete leadership and guidance.

When Comrade Mao Zedong was leading the Chinese revolution and construction, he paid a great deal of attention to the problem of leadership methods. In Chen Yun's discussions and correspondence, one is struck by how he constantly implements and embodies the leadership method of seeking truth from facts, which Comrade Mao Zedong advocated, as well as the methods of leadership involving an integration of the individual and the general and an integration of leadership and the masses. Comrade Mao Zedong said: "Without a general and universal call for any work task, it is impossible to mobilize the masses of people to action. But if we only limit ourselves to general calls and if leaders do not directly and concretely implement

the work involved in the call in one organization, gaining experience from doing so, and using this experience to lead other work units, then there is no way to test whether the general calls one has proposed are correct or not, there is no way to enrich the content of these general calls, and there is a danger that these general calls will come to nothing."

In this way Comrade Chen Yun has displayed his outstanding ideological leadership in the Pingtan arts. In his Pingtan work he has always implemented the party's principles on art and literature, as manifested in a concentrated form in the call he made in 1981 to "bring out people, bring out books, and take the correct road." He proposed reforming the old and blazing new trails, and clearly stressed the importance of blazing new trails and writing new books. He made every effort to rectify simplification of or conservative tendencies toward this principle. However, Comrade Chen Yun did not only propose principled general calls to the artistic and literary world. In both reforming the old and blazing new trails he always came to grips with typical cases, carrying out analysis and gaining experience, and in so doing, promoting all work in reforming the old and blazing new trails. As far as reforming the old was concerned, he paid particular attention to tackling the straightening out of "The Pearl Pagoda," because as far as Comrade Chen Yun was concerned, "The Pearl Pagoda" had the greatest influence on the masses and was also rather complex. He felt that correcting this book was "a very important task." Because Comrade Chen Yun was very familiar with the artistic laws of Pingtan, he was able to put forward concrete opinions in all areas from the handling of the script and the characters to organizing the plot. As far as the creation of new books and works is concerned, Comrade Chen Yun has displayed even more enthusiastic attention, and with the success in recent years of the Pingtan script "Zhenqing Jiayi" [True Feelings, False Meanings] Comrade Chen Yun has shown particular excitement, enthusiastically recommending it in relevant areas, with the result that it has been able to be adapted for other areas of the theater. In addition, he has also assessed experiences concerning the creation and performance of this script.

Because the content and form of Pingtan, like other traditional art forms, is very distant from the lives of today's young people, it is often very hard to attract these young people. Hence there is also a problem of the "aged" Pingtan audiences and the question of how to win a young audience for Pingtan. The only way to solve these problems is to carry out reforms of the content and form of Pingtan, creating some artistically good works that reflect modern life, in particular the life of today's young people. It might be said that "Zhenqing Jiayi" has been a great success in terms of creating new works. It is not coincidental that this work has received considerable attention from Comrade Chen Yun. Probably within the space of 1 year or less he heard it 20 times, and furthermore expressed a desire to hear it again. In Comrade Chen Yun's eyes, the success of this work provides some important experiences with vital universal significance. First, it portrays the modern life of today's young people and has fairly high artistic standards, and as a result was able to attract a much younger audience for the traditional art of Pingtan. His evaluation of the work was: "'True Feelings, False Meanings' is a success; it exudes a flavor of

the times, suits young people, and the necessary demands to improve young people. It may become a long-running piece." Second, a piece of work that truly exudes the flavor of the times and is able to reflect young people's lives cannot avoid reflecting the contradictions and conflicts between ideology and feeling that exist within young people. One of the major reasons for the massive appeal of "True Feelings, False Meanings" is the way it truly embodies the contradictions in the ideology of young people. At the same time as describing Peipei, a character worthy of young people's imitation, the author also wrote about Qinqin, a morally low, selfish, and extremely poisonous character. But this vivid and sharp exposure of the negative side of things caused some good-intentioned readers to wonder whether or not such things were suitable and whether or not this was a suitable vehicle for the education of young people. Comrade Chen Yun's response to this question was very clear. On the basis of the realistic presentation of this work he pointed out that "to expose the negative side of things can be just as useful as positive education. When such things appear in a play, does the audience identify with them or does it feel antagonistic toward such things? I think that the audience tends to feel antagonistic. Thus, I say that to expose negative and erroneous things can be just as useful as positive education." Comrade Chen Yun also said: "There should not be excessive weight on the positive so that it becomes totally stable and lacking direction, for this is not necessarily very good either." In actual fact, although the bad character, Qinqin, in "True Feelings, False Meanings" is very obvious and her lowly ideological qualities are ruthlessly exposed, because of the clarity of the author's tendencies and direction, and because the good character, Peipei, is shown in an even stronger light, although Qinqin is one of the major characters in the story, the audience nevertheless senses that in our socialist society, she is very isolated.

One sharp problem on which attention is often focused is whether or not it is possible to portray the negative side of things, if so, how. Comrade Chen Yun's discussions show us that the question is not whether or not negative things can be portrayed, but rather how these negative things should be portrayed and what effect the portrayal of this negative side of things will have on the reader or audience. This thus brings us to the complex question of the relationship between artistic authenticity and tendentiousness. Comrade Chen Yun has given a timely assessment of the experiences provided by "True Feelings, False Meanings." It did not involve antagonism between the realistic espouse of the negative, correct political tendencies, and the tasks of using the socialist spirit to educate young people, rather it joined all these things. Not only is this a confirmation and commendation of a work, but an assessment such as this of a work ensures that the experiences gained from this work are of important guiding significance for future writers and authors.

In addition to "Zhen Zhu Ta," Comrade Chen Yun also focused on analyzing and researching other traditional books such as "Yu Qing Ting," "Meng Li Qun," and so on. In addition to "True Feelings, False Meanings" he also focused on analyzing and researching other new books such as "Lin Hai Xue Yuan," "Ku Cai Hua," and "Qing Chun Zhi Ge." The way in which Comrade Chen Yun has carried out concrete analysis from one typical book to another has illustrated

the Marxist method of leadership involving the integration of the general and the individual and has thus promoted the development of Pingtan work.

In his work about guiding and leading Pingtan, Comrade Chen Yun has been closely linked to the masses. The recollections mentioned above of Comrade Wu Zongxi and others illustrate that since 1958 Comrade Chen Yun has had wide contact with Pingtan artists, writers, and leading cadres. Another of the major characteristics of Comrade Chen Yun's work in guiding Pingtan is the integration of the leadership with the masses and movement in and out of the masses. It is also one of the characteristics of leadership extolled by Comrade Mao Zedong.

Everyone in Pingtan circles recognizes that not only is Comrade Chen Yun an expert connoisseur, he is also an expert leader, but he does not consider himself an expert and does not always consider himself right. On the contrary, in his work about leading Pingtan, he is always very open-minded. Whenever there are important matters to be settled, he always holds discussions with everyone, taking the mass line and thus ensuring rule by the many and not by one person. The work style that Comrade Mao Zedong advocated, involving the integration of leadership with the masses, permeates the practice of all Comrade Chen Yun's work in leading and guiding Pingtan.

A good party leader should always be knowledgeable about questions relating to the whole, including political and vocational problems, but such a leader cannot be as knowledgeable as someone directly involved in this work. Thus, in order to ensure that leadership is not subjective, but is realistic, the leaders must learn from the experts. First they must be students of the masses and then later they must be the teachers of the masses. In his work about leading Pingtan, Comrade Chen Yun has also used this extremely significant dialectical philosophy of Comrade Mao Zedong.

Comrade Chen Yun once said with modesty and humor: "I'm the one who does the clothing and feeding." When faced with specialized artistic questions, he has always stressed the need to rely on artistic experts with the necessary experience to solve them: "The question of how Pingtan can play a role in this new era and how it can be appreciated by audiences must be solved by the Pingtan players themselves." "We must organize some old Pingtan artists to write critical articles. It is useless for laymen to criticize; it must be the experts who write such critiques and who analyze what is good and what is bad. It should be they who discuss artistic matters." As with leadership in other areas, in his work with Pingtan Comrade Chen Yun has been adept at ensuring that every individual's good points and enthusiasm are given expression. He has stressed that "the creation and editing of new Pingtan plays must mainly depend on middle-aged and young performers. We must organize old artists and those artists with very high standards to help these young ones improve." "We must ensure that each individual's talent is given full expression and that each person has a proper role to play."

Since art is both for the people and also belongs to the people, it is vital to frequently give consideration to the questions of the masses' psychological needs, demands, and enjoyment of artistic expression. This is

particularly important for Pingtan, an art form with a wide mass appeal. In "Discussions and Correspondence Concerning Pingtan," one can see many places in which Comrade Chen Yun pays attention to the question of the masses' psychological needs, demands, and enjoyment of artistic expression. At one point Comrade Chen Yun emphasizes the entertainment qualities of Pingtan and he writes: "The audience hasn't paid 2 mao to come to a politics class. There should be some jokes." "The serious should be integrated with the lively and there should be a suitable plot to the story, because listening to these stories is not the same as attending a class. People should be allowed to laugh. After a hard day at work, they must relax and enjoy themselves. If it is all too serious and like a class, then there's no point in calling it a performance; one might as well call it a training class. There shouldn't be too many jokes and gags, but we should still ensure that there is a suitable amount of light relief, so as to regulate the atmosphere." The way such questions as these are raised and handled shows us that Comrade Chen Yun has never forgotten the mass view in his consideration and handling of all questions and problems.

## II

In socialist art and literature we often come up against relational problems in such areas as ideology, art, and life. First and foremost we advocate service to the people and service to socialism. However, only by solving in a unified way the ideological, artistic, and daily life problems of serving the people and serving socialism can we ensure that artistic creation follows the correct and healthy road to prosperity.

Comrade Chen Yun has constantly stressed the need to write new books that reflect socialist life, and he has also always given encouragement to the writing of many new books. He has a very moving way of expressing the party's principle on this question: "Artists must work hard to write new works and to reflect the new era. I will applaud a new work if it is three parts good. I will only applaud an old book if it is seven parts good. We must all applaud a new work if it is three parts good." However, there is yet another problem relating to social life that must be tackled in order to write good new books that reflect socialist life. Comrade Chen Yun has constantly pointed out that "we must pay attention to the work of bringing forth new ideas. If there are insufficient experts, then we should use the apprentice method to train more. In addition, we should also get Pingtan artists to go deeply into life and create new stories and plots." "At present, Pingtan artists are not knowledgeable about the workers and the peasants, and as a result it is rather difficult for them to represent the workers and the peasants."

Comrade Chen Yun's statements tell us that, like the experiences provided by the positive aspects of many successful Pingtan works, so too in the entire artistic world, any creation requires a correct handling of relationships in such areas as ideology, art, and life, and they must be based on the reality of life.

The reason for the outstanding success of "True Feelings, False Meanings" and the special attention it has gained from Comrade Chen Yun, can also be found in this fundamental question. In the past some people felt that the art forms the masses enjoyed were nothing more than base "popular art" and that to successfully write such works required merely an understanding of its form and set pattern. In actual fact, the creation of popular art and literature and true success in this field is just the same as in all other kinds of art and literature. It requires that one not deviate from real life and that one base creativity on a real life. If the writer is only knowledgeable about the form and pattern of popular art and literature but lacks understanding of the life involved, then he or she will be unable to inject any true artistic life into the work. The primary and most fundamental characteristic of "True Feelings, False Meanings" is its intense sense of real life and the true-to-life representation of its characters. If the author is not knowledgeable about life, then he or she cannot give a true and real portrayal of the characters in the work or describe their typical character and environment. Thus Pingtan is like all other art forms in that life is its foundation. The question of going deeply into life, which Comrade Chen Yun has demanded of all Pingtan artists, is in actual fact a very fundamental question. In order to be able to reflect the new socialist life, it is absolutely vital to go deeply into life.

Comrade Chen Yun has an ardent hope that more and better new books will emerge in Pingtan. Since liberation, some very good new books have indeed appeared, but the problem which seems to exist universally as far as the appearance of new books today is concerned, is still that of being knowledgeable about the new life, in particular the lives of workers and peasants.

Let us take the newly published "True Feelings, False Meanings" as an example. Of the nearly 300 pages of the book, more than three-quarters is composed of ancient themes, while the modern themes in the book do not even make up one-quarter of the book. Naturally we must remember that a small number of the songs with ancient themes selected for the book were written and edited after liberation. Furthermore, the songs that were edited and even those that were not have all undergone decades, if not hundreds of years, of scrutiny in the process of being passed on, and hence we cannot simply use the new creations of the last 30 years to make comparisons with such songs. If we compare similar songs with new and old themes which have undergone the same form of selection and preservation, we are forced to admit that new books still have many weak areas, of which one of the most fundamental is that new books draw the reader's attention to the writer's insufficient knowledge of life.

In our socialist art and literature it is still necessary to coordinate in a particular light the creation and performance of grassroots art forms, suited to widespread propagation, with political tasks. This is also a revolutionary demand and a demand of the masses. Furthermore, these coordination tasks can also produce very good works of art and literature, as required by the revolution and the masses. However, in order to create good works, one must have life. Many authors who create new works give readers a sense of enthusiasm and create hopes for the new socialist life.

However, if we are unknowledgeable about the new socialist life, if the author lacks thorough knowledge and understanding, then his or her enthusiasm and hopes will very probably remain only superficial. A knowledge of life and a thorough understanding and appreciation of life is one of the most outstanding characteristics of the traditional songs of many of the ancient themes in Pingtan. This can be seen in such titles as "Hong Lou Meng," "Xi Xiang Ji," "Bi Ba Ji," "Du Shi Niang," and "Zhen Zhu Ta," which are included in "A Selection of Pingtan Songs." "The Selection of Medium Length Pingtan Songs," edited by the Suzhou Pingtan Research Committee, also includes some Pingtan songs such as "Qing Wen," a revision of a classic Pingtan work, in which the characters are very well-developed and individual. We can see that the solid life foundation in the original of "Hong Lou Meng" laid down very good preconditions for the later revision of the song. If we make comparisons we are forced to recognize that the extent to which authors of new books are knowledgeable about life is nothing like the extent to which authors of the ancient works were knowledgeable about ancient life. This is a very fundamental lesson and is one of the best lessons to be learned from such comparisons.

All past artistic and literary creation has proven that the method in artistic and literary creation of "putting the theme first" is wrong. This method does not demand that art and literature be subordinate to life, but rather that both art and literature and life be subordinate to the initial establishment of a theme. On the basis of this idea of first setting a theme, the writers and artists all "take what they need" from life. Countless experiences in the past have proven that this method can only produce standardized and generalized works and cannot produce any true and realistic works.

Naturally, opposition to "putting the theme first" implies opposition to artistic and literary subjectivism and opposition to the artistic and literary method of using subjective ideas to replace objective life. It does not imply opposition to accurate ideological guidance of creative work, nor does it imply opposition to the idea that art and literature should portray the advanced things in life. These are two different problems. In the sphere of socialist art and literature, major achievements have been made over the last few years in overcoming earlier tendencies toward formularization and generalization in creation and in overcoming the erroneous methods of "putting the theme first." Many fine and outstanding works have proven that overcoming standardization and generalization in creation and overcoming erroneous methods of "putting the theme first" does not weaken the ideological aspects of art and literature, instead it ensures a better integration of ideology, life, and art and literature. Only with this kind of integration can art and literature follow a wider and healthier road. This is one of the most important experiences gained in the last few years of artistic and literary creation, and is also one of the most important guarantees for the healthy development of our art and literature.

On one hand, Comrade Chen Yun has enthusiastically encouraged the creation of new books: "We should applaud when a new book is three parts good." On

the other hand, he has also pointed out that those in artistic circles should become a real part of life and learn to understand the workers and peasants. This is also very significant. "We should applaud when a new book is three parts good" embodies the party's stand, principles, and attitude toward upholding and supporting new and fresh things. In view of the present lack of experience and general weaknesses in creating new books, this idea is particularly important. In view of this situation, if we do not provide special encouragement and support for new books, and if we simply have the same attitude toward both new and old books, if we remain seemingly impartial, then in actual fact what we are doing is stressing the old and not the new, and this is not good for the development of new books and new creation. Only Comrade Chen Yun's attitude is a true Marxist's attitude.

However, people must also realize that while the party wants to support and encourage new things, consolidation and development of such new things in the final analysis depends on the success of the new things. Support and encouragement from the party can remove some of the obstacles on the road ahead for new things, such as the obstacles of conservative thinking and the force of old customs and habits, but the road must be walked by the artistic and literary workers themselves. This requires even more accurate solutions to ideological, daily life, and artistic problems, as well as solutions to problems relating to their interrelationships. As far as Pingtan is concerned, in the long run the problems must be solved by the hard work of the artists and literary writers themselves. Artists of the past well understood the meaning of the phrase "storytelling on stage, searching for books offstage," and as far as today's socialist artistic and literary workers are concerned, the demand for "searching for books offstage" is even greater now. When Comrade Chen Yun discussed the question of opening a Pingtan school, he said: "We must study politics, culture, and art and literature." During this year's Spring Festival celebrations and the joint celebrations of the famous celebrities of folk artistic circles, Comrade Chen Yun once again said: "We suggest that in addition to studying their specialist books, all comrades, especially young comrades, should also put some time aside for studying the theoretical works of Marx and Lenin, of which the study of Marxist philosophy is of particular importance." Improving one's Marxist ideological standards is like entering into real life and improving one's artistic and literary standards. It is not only a fundamental question for folk art circles, it is also a question requiring constant solutions relevant to the entire artistic and literary world.

### III

Every form of art and literature has its own unique and irreplaceable character, and if it loses this special character, then this art form loses its right and necessity to exist as such, which is the same as losing a branch of the arts itself. These characteristics include the art form's good points and its limitations. Every art form has its good points and all of them inevitably have their limitations, and hence there is a need for the good points to make up for the shortcomings. This principle is essentially very simple and straightforward, yet it is often ignored by some comrades,

including some comrades who carry responsibility for guiding and leading artistic and literary work. As a branch of art and literature, Pingtan had its existence placed in great jeopardy during the time of the "gang of four" when a host of demons danced in riotous revelry. One of the reasons for the danger in which Pingtan found itself was the complete ignorance on the part of the "gang of four" of the special laws of Pingtan, the wanton rejection of the traditional concept of Pingtan, the murder of its artistic leaders, and the fact that it, along with other art forms, was forced to "conform." Thus Pingtan became songs and plays and the essence of the art of Pingtan was almost completely lost as it was pushed into a hopeless situation.

Comrade Chen Yun has a deep understanding of the special laws of Pingtan and he has always paid attention to the special characteristics of Pingtan, constantly stressing the need to pass on and develop its special characteristics. The ideology which permeates all of Comrade Chen Yun's writings on Pingtan is the upholding of the principle of serving the people and serving socialism, while at the same time upholding the vital need for Pingtan to retain its unique properties. This kind of thinking is of universal guiding significance for both Pingtan itself and for the entire artistic and literary world.

In a discussion in November 1959, Comrade Chen Yun pointed out that "the traditional oral art of Pingtan is very rich." At the same time he also said that the books having their historical themes revised then would, on one hand be getting rid of some poisonous and unhealthy things, and on the other hand "were making too little use of the traditional oral art form," and that this was a shortcoming. During this particular discussion, Comrade Chen Yun said: "The language of Pingtan is a very refined and exquisite form of language in the art of storytelling and it has the special characteristics of oral art."

Pingtan is an oral art form that has some of the characteristics of theatrical performances and yet is not theater. As artists themselves put it: "It is not theater and yet it is." Unlike characters in a normal theatrical play, the artists of Pingtan always appear in front of the audience as artists and it is mainly through fictitious situations that the characters of the plot are portrayed. There is no make-up and there are no props, one person has to play several parts at the same time, and one entire play can involve only one or two people. The famous Pingtan artist of the late Qing Dynasty, Ma Rufe, said that theater was "the way to show one's actual experiences," while Pingtan was "the actual experiences about which one speaks." This is acknowledged by most people in the artistic world and has been confirmed by Comrade Chen Yun. It is this characteristic separating Pingtan from theater that allows the good points of artistic and literary creation to be expressed and stimulates the imagination of the audience. Traditional Chinese opera has always been very free, and it has been restricted very little by time, place, environment, and scenery, and thus is sometimes able to achieve extraordinary authenticity. Pingtan is even freer than classical opera and has even less restrictions, and hence is more clearly able to achieve such artistic results as displaying reality in fiction and mutually promoting fiction and reality.

Thus, to handle Pingtan in the wanton manner of the "gang of four" does not help develop its good points and reduce its shortcomings, rather it prompts unique and talented Pingtan artists to conform to traditional theater, dance, symphonies, and even "model plays," and the result is the death of Pingtan. The "Cultural Revolution" was, for Pingtan as for other things, a disaster of unprecedented historical proportions.

After the smashing of the "gang of four," Comrade Chen Yen, considering the need for reforms and innovation in Pingtan, said in reference to the "gang of four's" destruction of Pingtan: "Pingtan must constantly be reformed and must constantly develop, but Pingtan should still remain Pingtan. The characteristics of the Pingtan art form should not be discarded." "Pingtan should keep its form, but there can be some improvements, however, there should be no 'major reforms' like those of Zhang Chunqiao. Each individual aspect can be improved, and Pingtan itself can be improved, but the character of Pingtan itself must not be lost." This is entirely correct. This kind of thinking, this desire to pass on and develop the tradition of Pingtan, corresponds with the developmental laws of Pingtan and with the developmental laws of all art forms. It is in complete opposition to the "gang of four's" nihilistic and extreme leftist thinking and differs from the conservative ideas that reflect an unwillingness to reform.

Starting from reality and passing on traditions means that there will inevitably be some breakthroughs in traditions, some things abandoned, and some new things created. In order to ensure that reality is reflected and portrayed in a true and realistic way and to ensure that there is a unity of form and content, one must not allow oneself to be fettered by existing traditions. In actual fact, traditional storytelling artists of the past were constantly making breakthroughs, innovating, and taking in new nourishment from life and from other art forms, with the result that traditional stories were constantly updated and innovated. Since liberation, many artists' experiences have proven Comrade Chen Yun to be right, for in order to portray real life, traditional arts must be preserved and indeed developed. One of the main reasons for the massive success of "True Feelings, False Meanings" is its boldness in breakthroughs and its innovation. It also preserves the traditional characteristics of Pingtan while providing a true portrayal of reality and allowing people to remain aware of the fact that they are watching Pingtan, thus achieving a harmonious unity of modern life content and traditional style and form.

In his discussions and correspondence, Comrade Chen Yun has placed particular stress on the special role of audience participation in Pingtan. He realizes that a plot for a story is not sufficient and that audience participation must be well organized. This attracts a bigger audience for Pingtan and is an important way to ensure that one's audience is entranced by a performance. Comrade Chen Yun's great attention to this question displays his deep understanding of the artistic characteristics of Pingtan. "True Feelings, False Meanings" has a very powerful audience participation factor. A young, unmarried girl with high morals finds herself forced to disguise herself as her sister to visit her sister's wounded lover. What happens? Does this situation make us want to go on listening? Of course.

If the plot lacked any interest value, then any minimally intelligent member of the audience would tire of watching before the end of the performance. The plot of this story is not very common, and is neither predictable nor hackneyed. It is based on reality, and even the details are realistic and correspond to the logic of life and the logic of human nature.

Comrade Chen Yun once wrote a critique of "Qing Chun Zhi Ge," a revised version of a short novel. In addition to giving high praise for the successful adaptation of this story, he also pointed out that "some books and stories still sound very monotonous and too theatrical; they are too much like short novels. There is still insufficient use of exaggerated and light methods of description in Pingtan performances." As far as passing on the tradition of Pingtan is concerned, "True Feelings, False Meanings" has clearly been very successful. "True Feelings, False Meanings" retains the traditional character of Pingtan on one hand, and rejects, on the basis of the requirements of our new life, some of the formulas of our former traditions on the other hand. Thus, by necessity it also includes some artistic innovation. This work has clearly absorbed the good points of the modern short story, modern films, and modern plays, with the result that the script offers the reader a work of art of exceptional standards.

In order to portray Comrade Chen Yi, one of the old generation of proletarian revolutionaries, the long Pinghua piece "Press Onward to Northern Jiangsu" displayed a great deal of innovation and many breakthroughs in the old form and style of Pingtan. The choice of material for this work was in itself a pioneering act in terms of Pingtan creation and thus was a breakthrough. Naturally, a lack of sufficient life experiences means that this work has many shortcomings, but the character of the major protagonist, Comrade Chen Yi, is portrayed in a very fresh and lively way and it is this which is one of the artistic successes of the work. After seeing or reading this work one is left with a very deep impression of Comrade Chen Yi's alertness and resourcefulness, his heroism, and his dual capacity as both a politician and a poet. In order to portray Comrade Chen Yun and the struggles of the New Fourth Army during the period of the war of resistance against Japan, it was inevitable that some of the characteristics of Pingtan storytelling be discarded and that some of the advantages of modern art (such as theater and film) be absorbed. This has not only been proven by the very creation of this work, but also by the experiences of the praiseworthy young artist, Hui Zhaolong, who performed the work.

All forms of art require constant reform and development. They cannot simply stop and not move forward. When the earliest forms of art in history stopped developing and moving forward, they gradually lost their vitality and were quickly wiped out. There are many examples of this law to be found in the history of Chinese art and literature. Comrade Chen Yun has led and guided Pingtan work on the basis of this developmental law of art and literature.

Comrade Chen Yun once said: "Pingtan must improve; there must be more creativity and more breakthroughs. Only when there have been developments and breakthroughs in Pingtan can a close link be maintained between it and the masses." "It is not easy to learn Pingtan, and in order to preserve it we must develop it."

This is the main point. In order to preserve it we must develop it. This holds not only for Pingtan, but also for Chinese opera, folk art, drawing and painting, and all traditional Chinese art forms. However, those people who harbor conservative ideas do not acknowledge this law.

Content determines form and content creates change, but form also creates change. Life is constantly changing and the masses are constantly changing, and hence the art forms that reflect the life of the masses must also constantly change. Those art forms which stagnate and do not develop inevitably become divorced from reality and divorced from the masses.

As far as the creation of socialist art and literature is concerned, while stressing the need for innovation, Comrade Chen Yun has also alerted us to the fact that we must pay attention to preserving the essence of traditional forms of art and not allow them to be harmed. While stressing the need for passing on these traditions, Comrade Chen Yun has also alerted us to the fact that we must not forget innovation. In other words, we must take a dialectical look at the relationship between passing on traditions and innovation. Passing on traditions and innovation are not merely questions of form, they are also questions of content; indeed they are first and foremost questions of content. Comrade Chen Yun has recognized the complexity of the question of content, and thus when we deal with this question in terms of traditional works, while in principle we should naturally absorb the essence and get rid of the dross, when it comes to dealing with concrete works, the essence and the dross are often intertwined and it is not always very clear where the division between the two actually lies. What is more, the question of what is essence and what is dross has to be considered within specific historical spheres. It is because of this that Comrade Chen Yun took special pains to warn us that in our work of reforming the old we must guard against antihistorical tendencies. "We must guard against antihistorical tendencies and avoid damaging that part which is the essence. We must by no means throw out good things and outstanding traditional art forms." Modernization of history and the handling of historical characters according to today's standards represents antihistorical tendencies. This is fairly easy to understand. However, Comrade Chen Yun's analysis did not stop there. He went on to tell us that antihistoricalism may change something which was originally of true essence into dross. In other words, an antihistorical handling of our heritage may not result in the rejection of the dross, but rather, damage to the essence and discarding of the essence which may originally have been historically authentic and which simply did not conform to today's standards. It is particularly important that we pay attention to this problem today.

We must use Marxist concepts to investigate and analyze problems and should on no account use narrow class concepts to make demands on everyone, especially demands on our forefathers. When carrying out Marxist investigations and analysis of problems, we must uphold historical materialism and must place a problem within a specific historical context in order to investigate and examine it. If we reject everything that does not conform to a narrow class concept, then, we will inevitably also reject many good things that have emerged under specific historical conditions. Indeed, we

may even draw the conclusion that there is very little in history which can be confirmed and commended.

In 1962 Comrade Chen Yun said: "Over the past few years of reorganizational work we have been very successful in getting rid of feudal things, superstition, and pornography. However, we must be careful to make a thorough analysis of what is 'feudal' and we should not be too drastic. If we are too drastic and if we use narrow class concepts, then we will deviate from the masses." Comrade Chen Yun uttered these words some 20-odd years ago, and yet they are still just as relevant today. What is more, their relevance today is even fresher and more urgent. With our many years of experiences in revolutionary artistic movements since the 4 May Movement, and in particular with our experiences since liberation, we find today that with our many years of rich positive and negative experiences there is a pressing need for all of us to understand better and more comprehensively how to tackle the question of our cultural heritage from the past. China's feudal system lasted for several thousand years and we have a rich cultural heritage. It is very damaging to tackle this heritage with metaphysical concepts. It is especially important today that we do as Comrade Chen Yun said and make an accurate and broad use of class concepts to analyze and evaluate the cultural heritage from the feudal times.

These are not the only important and significant questions and problems touched on in Comrade Chen Yun's "Discussions and Correspondence Concerning Pingtan." In this article I have only tackled a very few of the questions. Comrade Chen Yun's writing is plain and concise at first glance, and yet contains deep meaning and significance. His writing is very much to the point. Only by stepping up our industrious in-depth study and understanding of his writing can we reap greater and better benefits from it.

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STRENGTHENING STUDY IS AN IMPORTANT TASK OF PARTY BUILDING--SOME UNDERSTANDING  
DERIVED FROM READING THE 'SELECTED WORKS OF CHEN YUN'

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 11-14

[Article by Liu Jiadong [0491 1367 2767]]

[Text] The "Selected Works of Chen Yun" is a work combining Marxism-Leninism with the practice of the Chinese revolution and a component part of Mao Zedong Thought. Studying the "Selected Works of Chen Yun" is of realistic and profound significance in strengthening the building of the ruling party and creating a new situation in the modernization effort.

Study Is a Communist Party Member's Duty

An article in the "Selected Works of Chen Yun" is entitled "Study Is a Communist Party Member's Duty." It says: "Many of our comrades always think that so long as we work nonstop all day long, we have fulfilled all our duties to the party. This way of thinking is very incomplete. Just working all day long without giving time to reading and without linking work with study will make the meaning of work less than complete and make continuous improvement in work impossible. Study is a condition for the proper performance of work and an indispensable one." ("Selected Works of Chen Yun," pp 121-122; page numbers only given hereinafter) To do his part and work for the party heart and soul, a Communist Party member must continuously raise his awareness and his capacity for the transformation of the world, consciously transform his own subjective world in the process of transforming the objective world, and give full play to his own initiative and creativity. If he should give up the study effort, pay no attention to exploring and grasping the laws of things and refrain from accepting new things, he would naturally stay in a rut without being able to blaze new trails and press forward. Thus, he would also fail in his duty to the party.

For Communist Party members, seriously studying Marxist theory is a matter of extremely great importance. Comrade Chen Yun said: "Our party is a Marxist-Leninist militant party. First, we must study the theories of Marx, Engels, Lenin, and Stalin. Only then can we turn ourselves into really capable Communist Party members with strong party spirit." (p 77) He also said: "The revolutionary cause is a great and tough task. The circumstances of the

Chinese revolution and the revolutionary campaigns were especially full of complications and changes. Yet the CPC, leading the revolution, was able to take in stride all the great revolutionary campaigns under ever changing and complicated circumstances and also to guide the various campaigns to victory. This is attributable to the guidance of revolutionary theory. Only with revolutionary theory could the Communist Party have untangled a mass of complications, found direction in ever changing campaigns and made a success of revolutionary work." (p 77) This tells us that only by consciously studying Marxist theory and firmly fostering a proletarian world outlook can Communist Party members raise the ability to resist various nonproletarian ideas and become stout, sober-minded and worthy Marxists and qualified Communist Party members. Otherwise, they would lose their way and get disoriented in complicated and ever changing revolutionary circumstances.

The modernization effort being undertaken is an unprecedentedly great enterprise and also a profound revolution. Our adopted policy of opening the country to the world and enlivening the urban and rural economy, the introduction of the contract responsibility system, the restructuring of organs, the reform of the economic system and the conversion of the ranks of cadres to meet the demand for a composition more revolutionized, younger in age, more knowledgeable and more specialized, and so forth--these reforms are all new problems to us. With the development of the modernization effort, we may still run into many new things and many new problems strange and unknown to us. All these call for exploration in practice and proof in theory. To push forward, we must carry out reforms. To carry out reforms, we must engage in study and must especially study fundamental Marxist theory assiduously. Now, the party's line and general and specific policies are entirely correct. But why is it that, in their implementation in certain areas, there still exist some "leftist" or right leanings? Why are some comrades less than conscious, tardy in response, and slow to act in implementing the party's line and general and specific policies? Why is it that some comrades know only to pass along the instructions and decisions from the higher-ups, without being able to combine them with the realities of their own department or area in doing their work creatively. There are naturally many causes. Fundamentally speaking, it is a matter of a lack of training in fundamental Marxist theory with a person's mind constantly swayed by the influence of idealism and metaphysics. This situation is very incompatible with the new situation marking the process of modernization. Therefore, in the modernization process, we must study hard and try to master fundamental Marxist theory. Only in this way can we be sober-minded and be skilled in eliminating interference from "left" and right and adhere to the correct direction. But at present, some comrades still have an inadequate understanding of the importance of the study of Marxist theory and show only lukewarm interest in the study effort. Some stress the pressure of work as an excuse not to study. Some think that a person can work just the same whether involved in study or not. Some individuals even consider that fundamental Marxist theory has become "outdated" and "ineffective." If such thinking is not overcome, it is very difficult to blaze new trails and press forward.

Comrade Chen Yun suggested that party members must not only study Marxist theory assiduously but also pay attention to culture and various branches of scientific knowledge in their study program. He said: "Culture is the foundation for acquiring other knowledge." (pp 190-191) "To understand Marxism, we must have general knowledge. Otherwise, we cannot easily digest, master, and accept Marxism." (p 193) "If cadres are uncultured and devoid of knowledge, the revolution cannot be a success." (pp 111-112) In the new historical period, more exacting demands are imposed on the members of our ruling party. We cannot content ourselves with general cultural knowledge. We must also strive to acquire specialized and scientific knowledge, knowledge about scientific management and study and apply the latest scientific achievements of mankind, with a high degree of revolutionary go-getting spirit. This is to meet the needs of the new situation and turn ourselves into vanguards in building socialist spiritual civilization and material civilization.

Comrade Chen Yun also stressed that "veteran cadres and high-ranking cadres within the party must first of all devote themselves to study and be models, for that matter. Because you are veteran cadres and because you are often charged with the job of leading and handling a situation singlehandedly, you are obligated and required, more than others, to raise your own theoretical level." (p 122) Comrade Chen Yun also expressed the hope that high-ranking cadres would ponder things and look at the following two kinds of situations to see which is more favorable to the party: Working all day long without taking time out to study, or finding 2 hours a day for study. He considered that the latter is undoubtedly more favorable to the party. He further pointed out: "To train large numbers of cadres combining theory with reality, the party must also first rely on veteran and high-ranking cadres. Veteran cadres must commit themselves to this duty." (p 122) This is to say that veteran and high-ranking cadres assume dual duties in the matter of study. They must not only play an exemplary role in study but also train large numbers of cadres combining theory with reality, thus better fulfilling the task of passing on skills, lending a helping hand, and giving guidance to others, a task with which they are charged by history.

#### The Study of Theory Must Be Linked With Practice

Comrade Chen Yun pointed out that to study theory is to apply it. "We study in order to acquire the Marxist-Leninist spirit and acquire their stand, viewpoints, and methods in observing problems and not to just recite dogma from memory." (pp 77-78) He specially stressed the need to study and master ideas on philosophy. He held that dialectical materialism and historical materialism represent the most correct world outlook and methodology. "Comrade Chen Yun said that when he returned to Yanan from Moscow in the early stage of the anti-Japanese war, Comrade Mao Zedong talked thrice to him about the need to study philosophy and especially the need to seek truth from facts. Comrade Chen Yun felt that he benefited greatly therefrom." ("Selected Works of Deng Xiaoping," p 337) The six words attributed to Comrade Chen Yun, "seeking completeness, making comparisons, and repetition," were then summed up. Comrade Chen Yun also gave a graphic description of what these words mean. "Seeking completeness" means

that we must pay more attention to investigation, to finding things out, and to exchanging views with others, and must especially make a point of listening to different views, observing things in their different aspects and seeking a clear understanding of history and existing conditions--in order to have a complete picture of things and guard against one-sidedness. "Making comparisons" means that in studying problems, formulating policy and working out plans, we must make comparisons between various programs, and study the main contradictions in things and the main aspects of such contradictions, in order to form a more accurate judgment. "Repetition" means that in deciding problems, we must not be overhasty and must have leeway, leaving a period of time for making repeated observations in practice and for observing the laws of things in development, in order to make a more perfect, prudent, and accurate decision.

In the early stage of the anti-Japanese war, Wang Ming "talked about everything in terms of Greece" and paid no attention to the study of Chinese history and the study of the prevailing international situation affecting the country. The party Central Committee and Comrade Mao Zedong once again pointed out that to change this unhealthy practice, we must stress linking the study of theory with the actual conditions on the domestic and the international scene, inside and outside the province, inside and outside counties, and inside and outside districts. At that time, Comrade Mao Zedong organized 40 to 50 responsible cadres in Yanan to study China's ancient philosophy and the philosophical thinking of such well-known philosophers as Laozi, Zhuangzi and Mozi, spending more than half a year on it. Comrade Mao Zedong acted as the study group head and Comrade Chen Yun as the deputy group head. The place of study was the Organizational Department of the CPC Central Committee. A discussion was held every 2 weeks. On such an occasion, a philosopher was invited over to give a main speech. In light of existing realities, everyone combined study with discussions. What was profound was explained in simple terms. Quite a lively scene was created, with very effective results achieved. Given Comrade Mao Zedong's encouragement, the atmosphere for the study of theory by Yanan's middle- and high-level cadres and especially the study of philosophy ran stronger. In the past few years, Comrade Chen Yun had suggested that we should advocate study. He meant chiefly the study of philosophy and the study of Comrade Mao Zedong's philosophical works, such as "On Practice," "On Contradiction," and also the "Problems of Strategy in China's Revolutionary War," "Problems of Strategy in the Guerrilla War Against Japan," "On Protracted War," and so forth. Comrade Deng Xiaoping held that this idea was quite a good one. He also pointed out: "Now, in airing views, some people often just judge things by appearance. The reason is that they have no grounding in theory and practice. Only by laying a proper foundation can we really rectify mistakes, including 'leftist' and right ones. The Yanan rectification campaign against subjectivism, sectarianism and stereotyped party writing is an effort to solve problems fundamentally and not incidentally." ("Selected Works of Deng Xiaoping," p 337)

Comrade Chen Yun had all along advocated the idea that party cadres must not only study Marxist theory but also get deeply involved with actual work in their study efforts to gradually get acquainted with this fundamental Marxist

method of linking theory with practice. With reference to the confused thinking of certain comrades who did not dare to study for fear of lapsing into dogmatism, he stressed that everyone must first read books with understanding. "If a person fails to read books with understanding, he should not rush to 'link things with reality' making a mess of things. It is after all better for him to have first understood what the books say. Acquiring understanding means assimilating. With Marxist principles and ways of thinking at his fingertips, a person will naturally link them with his own experiences in practice and raise concrete experiences to the level of general theory and again use such general theory as a guide to actual work." (p 123) "Those with experiences should ponder them theoretically. Those without experiences should link theory with practice. The educational method is for a teacher to sum up actual experiences into fundamental theory." (p 149) He also pointed out: "Every Communist Party member must study in the course of actual work anytime and anywhere and learn from the masses. All experiences and lessons in actual work and in mass struggle represent the best textbook for us." (p 78) This is to say that in the study effort in actual work, we must not only acquire all good experiences but also be skilled in learning from lessons.

At that time, in his leadership over the Central Organizational Department's work, Comrade Chen Yun made a point of linking theory with practice and eliminating the influence of sectarianism represented by Wang Ming, and adhered to the principle of seeking truth from facts. For example, the then developing situation called for the promotion of large numbers of cadres. How can this task be properly handled? Comrade Chen Yun stressed that we must first understand cadres before we can select candidates for promotion in line with the principle calling for both political integrity and ability. This is the basis for the formulation of the policy toward cadres. We can never use cadres the way we drive piles into the ground. This is to say that we must not "promote a cadre to the very top today because of his better performance and drive him to the bottom the next day because of his less satisfactory performance." (p 46) In the business of investigating cadres, he also stressed the need to seek truth from facts. In August 1940, Comrade Chen Yun specially wrote a summary of experiences on investigating cadres, which was published among the rectification campaign documents. This summary pointed out that "seeking truth from facts is the strictest requirement." Later, in the Yanan rectification campaign, Kang Sheng entirely ran counter to the principle of seeking truth from facts. He confused friend with foe and launched a so-called "salvation campaign," hurting many good comrades and bringing great harm to the party organization. Only until after the 3d Plenary Session of the 11th CPC Central Committee were some comrades thoroughly redressed in a reversal of verdicts. This is a historical lesson to be firmly borne in mind.

Comrade Chen Yun paid great attention to closely linking the study of theory with the improvement of work. He helped those comrades involved in organizational work use Marxist theory as a guide and implement the party's organizational line on the basis of firmly seeking truth from facts. Thus, the party's organizational work was enabled to better serve the party's political line. In 1938, the national situation concerning the anti-Japanese

war developed quickly. To bring the party's organizational work in line with the new demands, he, through serious investigation and study, put forth a series of general and specific policies and measures to strengthen the party's organizational work. For example, he suggested that the Central Organizational Department's work must be oriented to the whole country. This is to say that we must be oriented not only toward the Shaanxi-Gansu-Ningxia region but also toward various bases behind enemy lines and toward the areas controlled by the Kuomintang. In March 1939, two organizational work inspection groups were sent to head respectively for southeast Shanxi and the Shanxi-Chahaer-Hubei border region to get acquainted with local conditions and help with the proper handling of party organizational work. The large-scale recruitment of party members in various bases was affirmed. Attention was paid to the admission of intellectuals to the party, the training of party cadres and the expansion of the party's ranks. After the recruitment of large numbers of party members during war, the call for consolidating party organizations was again put forth. To train cadres, Comrade Chen Yun also on many occasions went to the Marxist-Leninist College, the Central Party School, the party member training class of the Central Organizational Department, and the Chinese People's Anti-Japanese Military and Political College to give lectures. The speeches in the "Selected Works of Chen Yun" on building the party and building the ranks of cadres were lectures then drafted by Comrade Chen Yun himself.

#### Study Must Be a Persistent Affair, Based on Hard Work

Comrade Chen Yun held that study is not a matter that can show results overnight. It must be made a lasting effort, based on hard work and with the emphasis on self-study. He pointed out: "A Communist Party member can hardly find a chance to study in a class for long. Therefore, he must be skilled in squeezing time for study from a tight work schedule. He can achieve this only by showing a spirit of persistence." (p 78) He also said from personal experience with great modesty: "Standards and circumstances vary with different people. The approaches to study should also vary. People like us with no grounding in fundamental knowledge and with a great lack of knowledge in various fields must honestly act like primary school students. We must read the existing main textbooks, one by one, and must be neither too slow nor overhasty, proceeding step by step." (pp 122-123)

Comrade Chen Yun suggested that in study we must take notes. The best thing is that we have a group that undertakes to formulate a realistic reading plan, which is then followed persistently. At that time, the study effort of the organs of the Central Organizational Department proceeded in line with these demands put forth by Comrade Chen Yun. Two hours a day were devoted to study and it was made a habit. When study time came, attention was concentrated on reading. This remained a persistent effort for 3 or 4 years. During the mass production campaign, everyone went uphill to reclaim wasteland in the morning and did office work in the afternoon. By night, everyone insisted on giving 2 hours to self-study by lamplight.

Comrade Chen Yun set personal example to us in studying. He seriously read books and took notes. His study notes on the rectification campaign, like all the others', were shown to comrades for scanning and examination. Where there was something not understood in the course of study and discussion, he humbly turned to comrades in theoretical circles for supplementary instruction and enlightenment, acting like a primary school student. In studying philosophy, apart from seriously studying Comrade Mao Zedong's works on philosophy, he scanned many reference works, such as Li Da's "Outline of New Sociology," works on philosophy by He-shang-zhao [3109 0006 2128] of Japan, and so forth. He strictly followed the study system, committing himself to the 2-hours-a-day study schedule in office and joining everyone in study and discussion. At that time, most of the meetings of the CPC Central Committee Secretariat took place in the evening. It was often late at night when he returned from these meetings. But the next day he still insisted on studying in the morning.

Under the leadership of Chen Yun and other leading comrades of the CPC Central Committee, our office cadres insisted on reading Marxist-Leninist works, one by one. Every time a book was picked up, it was always read through chapter by chapter and section by section. Reading was combined with discussion and what was read was repeatedly discussed. After every chapter was discussed, someone always gave a central speech wanting to spell things out in his own wording. The aim was to achieve mastery through comprehensively studying a given subject. In the course of discussion, Comrade Chen Yun often noted problems, guiding everyone in pondering things seriously and in achieving an understanding. This enabled the study to gradually deepen. In this way, everyone had in some 3 years finished reading more than a dozen books, including the "Manifesto of the Chinese Communist Party," "A Brief Course in the History of the CPSU (Bolshevik)," "A 'Leftist' Infantile Disorder in the Communist Movement," "The Development of Socialism From Fantasy to Science," "Political Economy," "An Outline of Philosophy," "The State and Revolution," and so forth.

The then young comrades are now in their 60's. Every time they recall life in Yanan, they deeply feel that the theory study program to seek enlightenment had laid a firm foundation for revolutionary practice throughout life and was extremely valuable. Meanwhile, they especially feel how great is the need for the development in today's modernization effort of the spirit of studying amidst hardships and fighting to get ahead and the study style of linking theory with practice, as displayed by our party's proletarian revolutionaries of the older generation!

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HEART-TO-HEART TALK IS AN EFFECTIVE WAY TO PROMOTE INNER-PARTY DEMOCRACY AND  
TO SOLVE INNER-PARTY CONTRADICTIONS

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[Article by Qin Jiwei]

[Text] In the course of the party rectification in the past 6 months or more, we have found that extensive heart-to-heart talks between the higher level and the lower level and among comrades, with leading cadres playing a leading role in the drive, are an effective way to meet the special needs of the present days' inner-party activities, to promote inner-party democracy, to correctly solve inner-party contradictions, and to further normalize inner-party life.

I

The aim of the current party rectification is to unify our thinking, rectify our work style, strengthen discipline, and purify our organizations under the guidance of Marxism-Leninism-Mao Zedong Thought, and thus build our party into a strong core of leadership in socialist modernization. In order to accomplish this important and arduous task, we must furnish a favorable, democratic atmosphere through studying documents and enhancing ideological understanding, and we must conscientiously and properly carry out criticism and self-criticism. If we fail to do so, we will never be able to fulfill the aim of party rectification.

However, as soon as the party rectification was started, we met a conspicuous problem--would we be able to efficiently carry out criticism and self-criticism? Many comrades have conscientiously studied documents and have done quite well in enhancing their understanding. But they were not brave enough to deal with contradictions and have always tried to evade substantial problems, "simply expressing their expectations of others without seriously pointing out others' mistakes and merely enumerating some facts without dealing with core problems when practicing self-criticism." Some people do not want to say what they think and dare not speak from the bottom of their hearts. Some people keep a wary eye on each other and there is no intimate feeling between comrades. And some people dare not criticize others, being afraid that they will get themselves into trouble if they do so.

What is the cause of such a situation? The fundamental cause is that some comrades still have lingering fears arising from the fact that many of them were wrongly attacked and persecuted during political movements in the past. This was due to the influence of "leftist" thinking and, moreover, the negative influence of the 10 years of internal disorder has not yet been completely cleared away. Such an abnormal situation in inner-party life has brought about some contradictory phenomena: Many problems regarding ideological understanding and work style are covered up, even though they badly need to be resolved; and the vast number of our party members have failed to practice criticism and self-criticism in an effective way, although they have a strong desire to press ahead for party rectification. This is an issue we are commonly facing in inner-party life. In order to properly carry out party rectification, we must be clearly aware of this problem; apply the general principles for handling inner-party contradictions to such special circumstances; and find a suitable way to break through the deadlock in certain aspects of inner-party life and effectively practice criticism and self-criticism.

In thoroughly studying the documents on party rectification, we have applied the tested experiences of the Yanan rectification to the present circumstances and have found a relatively effective method for giving full play to inner-party democracy and resolving inner-party contradictions. That method is to encourage extensive heart-to-heart talks within party committees and among the vast number of party members, with leading cadres playing a leading role in the drive. Such heart-to-heart talks have been launched in depth in the past few months and have been widely received. As heart-to-heart talks have been carried out among members of party committees, between the higher level and the lower level, and among individuals, a healthy mood has emerged: people are willing to communicate with each other, enthusiastically help each other, and sincerely accept each other's criticism.

Extensive heart-to-heart talks have brought about a lively situation in our party rectification work. Through heart-to-heart talks, mutual understanding has been enhanced between superior and subordinate and between comrades; people have eliminated vigilance between each other daring to criticize each other and to speak the truth; and the once prevailing practice of "hiding one's true feeling from others" has been stopped. Through heart-to-heart talks, our comrades have eliminated misunderstanding and discord among themselves and have deepened feelings and unity. Through heart-to-heart talks, they have exchanged views, sought unity of thinking, enhanced their understanding, and thus laid a foundation for resolving some major historical and current issues. Just as some comrades put it: "We concentrate our attention on major issues at meetings, have heart-to-heart talks, and help each other after meetings." Facts show that heart-to-heart talks can really help enliven democratic discussion within the party and can create a lively situation in which people's minds are at ease and they can unite and get along well with each other; that heart-to-heart talks can encourage people to practice criticism and self-criticism, take the initiative in exposing contradictions, and find out key problems and resolve them; and that heart-to-heart talks can help people forsake "leftist" practice, carry

forward the party's fine tradition, give full play to the initiative of the leadership and the masses, and thus ensure the smooth development of party rectification and constantly strengthen people's confidence in its success.

The fundamental reason that heart-to-heart talks have been accepted by the vast number of party members and have played an important role so soon after party rectification began is that heart-to-heart talks precisely meet the needs of inner-party life at present. Such talks conform to our party's experience in correctly handling inner-party contradictions and to the correct principle of resolving issues within the party under the current circumstances. Marxism holds that different methods must be used to resolve contradictions of a different nature. Contradictions within the party can be resolved only by criticism and self-criticism. This is a principle to be strictly upheld. However, due to erroneous "leftist" guidance, the two different types of contradictions were mixed up and, during the 10 years of internal disorder, contradictions within the party were mistaken for class struggle. As some comrades were inappropriately and arbitrarily attacked and overthrown, normal inner-party life was seriously upset. This is a bitter lesson that we must always bear in mind. Our party has a correct principle for solving contradictions within the party, namely, the principle of "learning from past mistakes to avoid future ones and curing the sickness to save the patient." In other words, it is necessary to hash out rights and wrongs while uniting with comrades. We must extensively encourage heart-to-heart talks in the current party rectification for two reasons. First, as far as contradictions within the party are concerned, we must implement the correct principle for handling contradictions within the party and thoroughly correct the mistakes committed in the 10 years of internal disorder in handling contradictions within the party. Second, in view of the new circumstances of inner-party life in the present days, we must apply the basic principle for handling contradictions within the party to our practice of party rectification and to fulfill in a better way the requirements for correctly practicing criticism and self-criticism laid down by the CPC Central Committee in its decision on party rectification. The purpose of the current party rectification is to enhance most party members' understanding, strengthen their party spirit, rectify discipline, and improve their work style. All these aims can be better achieved through heart-to-heart talks between comrades. In this sense, the form of heart-to-heart talks is an effective and usually irreplaceable means for party rectification.

## II

Heart-to-heart talks are a fine tradition of our party and army which our old comrades are very familiar with. They were a common practice in the years of revolution, when our comrades helped each other resolve ideological problems. During troop marches, in the intervals between battles, and in leisure time our comrades always gathered together and, in a natural atmosphere, had heart-to-heart talks on different subjects. Heart-to-heart talking was later developed into an important form of our party's ideological and political work. However, the fine tradition of heart-to-heart talks was destroyed during the 10 years of internal disorder and the pernicious

influence of this change still remains today. For this reason, in order to restore the tradition of heart-to-heart talks and make it a successful practice, it is necessary to take certain measures and prepare certain conditions in light of the new circumstances.

First, we must lay down a common ideological basis and formulate correct policies. As soon as the current party rectification was started, we organized all our party members to study in depth and in a systematic way the documents on party rectification issued by the CPC Central Committee and to conscientiously discuss the issue of outright negation of the "Great Cultural Revolution." Through studies and discussions, our party members have further cleared away the erroneous ideological influence of "leftist" and rightist thinking; reached anew a common understanding of the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee and the general tasks and general goals laid down by the 12th CPC National Congress; strengthened their ability to distinguish right from wrong; and made up their minds to strive for a solution to the problems. In compliance with our party's historical experience in handling contradictions within the party and in compliance with the guiding ideology stipulated by the decision on party rectification adopted by the CPC Central Committee, we have put forth the principle of "four don't's": Do not capitalize on anyone's vulnerabilities, do not set anyone up to be a target for attacks, do not bludgeon anyone, and do not blacklist anyone. We have also put forth the principle of "four allows": Every party member is allowed to withdraw, amend, defend, and reserve his proclaimed opinions. Thus, the party has eased party members of their worries once and for all, and heart-to-heart talks have once again become a conscientious practice among the masses. Everyone has revealed what is on his mind and talked courageously, glowingly, and frankly in an atmosphere of democracy.

Second, we must adhere to the spirit of seeking truth from facts and must show concern for comrades. Heart-to-heart talks are a form of criticism and self-criticism. In order to distinguish between rights and wrongs and to unite with comrades through heart-to-heart talks, it is necessary to uphold the dialectic materialist stand, viewpoints, and methods. First, it is necessary to adhere to the principle of seeking truth from facts, to tell the truth, never exaggerate or play down existing problems, never gloss over an individual's faults or attack him by exaggerating his faults. Second, it is necessary to convince others by reasoning based on fact. Third, it is necessary to give full play to unity, friendship, and tolerance while making criticism of comrades based on facts. Many cases have shown that we will never be able to convince others if we fail to adhere to the principle of seeking truth from facts and if we do not have revolutionary friendship and good feelings toward our comrades. In view of our practice in the past 6 months or more, we deeply feel that it is necessary to be frank, open-minded, and patient when having heart-to-heart talks with comrades. To be frank means to make confidential exchanges of views, to speak frankly and sincerely, and to say all one knows and say it without reserve. Heart-to-heart talks are not for show but for solving real problems. Therefore, we must be brave in facing contradictions, frankly voice our opinions on other comrades and work, and boldly make suggestions for the improvement of work.

If we hide our views from each other, just touching lightly on the issues we are faced with, the so-called heart-to-heart talks will become a mere formality and will never help solve any real problem. Those comrades who have been working together for a long time and who know each other quite well should be particularly frank with each other, since otherwise, they will not only fail to have a confidential exchange of views with each other but will also bring about new problems. Therefore, the crux of a fruitful heart-to-heart talk is frankness. To be open-minded means to be good at learning, to be glad to have one's errors pointed out, to correct mistakes if one has made mistakes and guard against them if one has not, and, in particular, to be ready to accept different opinions and advice that may be unpleasant to hear. We must be strict in appraising ourselves and making self-criticism. Leaders should be particularly open-minded when having heart-to-heart talks with their subordinates. If leaders are not sufficiently sincere and open-minded, the masses will never reveal what is on their minds and heart-to-heart talks will certainly fail. To be patient means to educate people with skill and patience. We have always advocated a "gentle and mild manner" for criticism among comrades. One must think things over before resolving any problem concerning ideological understanding, and it is by no means unusual for one to encounter ideological relapses. We cannot ask for instant results and should never act with undue haste. Experience has told us that some comrades need repeated heart-to-heart talks before they can correctly understand certain issues. We should be patient with people if they fail to quickly reach a correct understanding. By upholding the principle of being "frank, open-minded, and patient" in heart-to-heart talks, we will be able to effectively prevent the erroneous "leftist" practices that prevailed in the past, and thus properly practice criticism and self-criticism.

Third, both sides engaging in heart-to-heart talks must treat each other as equals. Although there are differences between superior and subordinate and between leader and those led within the party, all people enjoy completely equal political status. Therefore, everyone should be treated as an ordinary party member during heart-to-heart talks. Both sides engaged in heart-to-heart talks should criticize as well as be criticized. No matter how high the position a person holds, he must submit himself to the truth. As long as the criticism is proved to be justifiable, the criticized must accept it with an open mind. Our leading comrades at all levels must conscientiously try to fulfill this requirement. A person's adherence to the spirit of equality cannot be proven by his own words but should be judged by others based on his deeds. Our leading comrades should pay attention to two points when having heart-to-heart talks with others. The first point is that they should be patient in allowing others to get on with what they are talking about. Our leading people should be patient in listening to unpleasant things when others are criticizing them and should not be anxious to explain their own views. They should instead present their opinions after the critics finish what they want to say. Only in this way can we encourage people to "say all they know and say it without reserve." The second point is that our leading people should be willing pupils of the masses and consider themselves learners. They should never put on airs or behave imperiously. It is wrong for leading comrades to criticize others while forbidding the latter to defend themselves. Our leading comrades should instead be brave

in admitting their own mistakes without worrying about losing face. By and large, they should treat themselves as ordinary party members both in word and deed. Only in so doing can they show their spirit of equality and democracy. And only in this way can heart-to-heart talks be successful.

### III

During the current party rectification, our leading people at all levels have taken the lead and the vast number of party members have actively engaged in heart-to-heart talks. As a result, the traditional method of heart-to-heart talks has been revitalized under the new historical conditions and has fully shown its important role in pushing forward the normalization of inner-party political life. The promotion of heart-to-heart talks has not only given strong impetus to the smooth development of party rectification but has also provided us with valuable, new experience for enhancing the party's ideological understanding, improving party style, strengthening party organizations, correctly handling contradictions within the party and contradictions among the people, and improving and readjusting relations between men in social life. Heart-to-heart talks have proved to be a good way to promote inner-party democracy and socialist democracy.

Inner-party democracy can be promoted in various ways. The most fundamental way is to constantly eliminate and overcome "patriarchal behavior" and the dictatorial practice of "one person laying down the law," and to implement the principles of democratic centralism in a down-to-earth manner--practicing a high degree of centralized leadership while giving full play to the spirit of democracy. It is necessary to conscientiously carry out criticism and self-criticism, constantly overcome erroneous thinking, and eliminate unhealthy influence so as to seek a common understanding and unity of action. It is necessary to carry out the mass line, pool the wisdom of the masses, and provide the vast number of party members with the chance to freely voice their opinions in order to give full play to their enthusiasm and initiative. What we have achieved in promoting heart-to-heart talks has proven them to be a better means of fulfilling the basic requirements for inner-party democracy and of enlivening inner-party political life.

The fundamental purpose in promoting inner-party democracy is to seek a high degree of ideological and political unanimity within the party. One of the conspicuous advantages of heart-to-heart talks is that they encourage people to bravely voice what is on their minds. They also help people distinguish between right and wrong in theoretical problems, policies, and ideological issues by means of peaceful talks among comrades and by means of discussion, advice, persuasion, and criticism in a harmonious atmosphere. Heart-to-heart talks thus help people correct mistakes, eliminate shortcomings, enhance understanding, and reach unity of thought. Therefore, heart-to-heart talks are an effective way to seek unity of thought by democratic means under the new historical conditions.

One of the key links in the promotion of inner-party democracy is the establishment of cordial relations between party comrades. In addition to the working relationship between comrades and the relationship between the

superior and the subordinate, there is friendship between comrades and support and concern for each other. Heart-to-heart talks can help to remove barriers between comrades by encouraging an exchange of views, can strengthen friendship, and can build closer ties between them, thereby bringing about a fundamental change in the relations between comrades within the party. With trust and friendship between comrades, many contradictions can be resolved easily. With this healthy trend prevailing, factionalist activities and the malpractice of seeking personal gain through relatives and hometown friends will give ground. Furthermore, by regularly having heart-to-heart talks with the masses, our leading comrades can keep in touch with the masses, be directly informed of up-to-date circumstances, hear the opinions of the masses, and submit themselves to supervision by the masses so they can better overcome bureaucracy, eliminate idealistic influence, improve their work style, and keep the true qualities of public servants. Such a role for heart-to-heart talks is of special importance under the new historical conditions.

Another reason for promoting inner-party democracy is to give full play to the initiative and creativity of the vast number of party members in the course of socialist modernization. By promoting heart-to-heart talks, we can create within the party a lively situation in which people have peace of mind, help each other, and strive for a bright future. This will encourage every party member to give full play to his talent and knowledge, help to bring all positive factors into play, and help overcome all negative factors, thus making our party stronger and more energetic.

Heart-to-heart talks should be encouraged and popularized within the party. We should not only promote heart-to-heart talks during the period of party rectification but should also carry on these activities after the party rectification. We should not only encourage heart-to-heart talks in the leading organs of the party but also in our grassroots organizations. We should have regular heart-to-heart talks and make such activities an important part of our party activities.

Heart-to-heart talks should also be popularized in society. Now, after the abolition of the exploiting classes, most contradictions still existing in our country's society have nothing to do with class struggle, and class struggle is no longer the major contradiction of our society. Under such circumstances, there are more reasons to use heart-to-heart talks as an important means in correctly handling contradictions among the people. Heart-to-heart talks, as a simple and practical method, can readily be accepted and manipulated by the masses. If we vigorously encourage heart-to-heart talks, such a form of activity will surely be widely received among the masses. All our mass organizations, all trades, and particularly plants, mines, schools, neighborhood organizations, PLA units, and other grassroots units, should vigorously promote heart-to-heart talks, extensively carry forward democracy among the people, give full play to all positive factors, unite the vast number of cadres and the broad masses, break new ground, and strive to accelerate socialist modernization.

SUBSTITUTE TAXES FOR DELIVERY OF PROFITS; CORRECTLY HANDLE DISTRIBUTION  
RELATIONS BETWEEN THE STATE AND ENTERPRISES

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[Article by Yang Qixian [2799 0796 0341]]

[Text] In his "Government Work Report" delivered at the Second Session of the Sixth NPC, Premier Zhao Ziyang pointed out: "The State Council has decided that starting in the fourth quarter of 1984, the second step of the reform in substituting tax payments for profit delivery should be taken so that all enterprises will gradually switch to the substitution of tax payments for profit delivery instead of having the two methods in use simultaneously." This is an important plan for the current restructuring of the economic system in China, and is also a decisive measure for appropriately handling the relations between the state and enterprises. It will have a great impact on effectively promoting the reforms of the various aspects of the urban economic system and on giving full play to the enthusiasm of the enterprises and the masses of workers.

I. Correctly Handling the Relations Between the State and Enterprises Is the Key Link for Restructuring the Urban Economic System

Under the premise of adhering to the basic principles of Marxism and the socialist system, the restructuring of the economic system carried out in China at present must proceed from the actual developing level of the productive forces at the current stage in China and the concrete national conditions. On this basis we must correctly handle the various economic relations so as to fully arouse the initiative of all factors, stimulate the benign cycle of economic development, and attain the ultimate aim of making the country strong and prosperous and the people rich and happy.

The economic relations to be correctly handled in the course of reform cover a wide range, such as the relations between the central level and the localities, between departments and regions, between urban and rural areas, between the state and enterprises, and between the state, enterprises, and individuals. From which part we should start to promote the work of the whole was an important problem that we could not properly solve for a long time in the past. Since the 3d Plenary Session of the 11th CPC Central Committee, we have, through 5 years' practice in the rural areas, found a successful path, one

that is under the prerequisite of maintaining the nature of the collective ownership, reducing unnecessary administrative interference by the state toward the collective economic organizations, and respecting the self-decision rights of the collective organizations in production operation. Meanwhile, we should correctly handle the relations between the collective and the peasants; implement various forms of contract responsibility system in an all-round way, particularly the system of contracted responsibilities based on households with payment linked to output; and directly connect the peasants' income with their labor achievements, so as to fully arouse the production enthusiasm of the 800 million peasants and promote the development of the rural economy.

The conditions in cities differ from those in rural areas. The economy in the rural areas is based on collective ownership, so the key is to appropriately handle the relations between the collective economy and the peasant individuals. The economy in cities is based on ownership by the whole people and the cities assume the greatest portion of state revenue. While carrying out reform in cities, we must properly handle the relations within enterprises and between the state and enterprises. Moreover, we must understand that only by properly handling the relations between the state and enterprises first can we then properly handle the relations between enterprises and workers. However, the successful experience of rural reform has proven that the basic principle of carrying out reform by starting with correctly handling the relations of the three factors has universal significance and should be applied and popularized in the cities. If the relations between the state and enterprises are not appropriately readjusted, the enterprises will still be in a "subsidiary" position under the various administrative organs and they themselves will not have the necessary decisionmaking power. Consequently, it will be impossible to correctly handle the relations between enterprises and workers and to genuinely arouse the enthusiasm and initiative of the workers. If the enterprises and workers are in low spirits and do not have the pressure and motivational force for conscientiously increasing production, improving operations and management, cutting down consumption of raw materials, and attaining better results, there will be no sufficient guarantee and reliable basis for the development of the entire economy. Therefore, correctly handling the relations between the state and enterprises and fully arousing and exerting the enthusiasm of enterprises and workers are the central link and the basic starting point of the reform of China's urban economic system.

## II. The Substitution of Tax Payments for Profit Delivery Is the Best Forum for Handling the Distribution Relations Between the State and Enterprises

The core for correctly handling the relations between the state and enterprises is to properly handle the relations of economic interests between the state and enterprises and reform the distribution system of state monopoly for revenue and expenditure and "everybody eating from the same big pot" so that the enterprises can become relatively independent economic entities and will undertake direct responsibility and have certain rights in their production operation and distribution of achievements. In order to explore the rational forms for the distribution of economic interests between the state and enterprises, we have carried out various experiments of reform at selected points

in different areas in the past few years. The specific methods can generally be divided into three kinds:

1. Distribution based on total profits, or an increase of profits. In other words, the distribution is based on the total yearly profits of an enterprise, or the increase of its profits over the previous year. The administrative department, the financial department and the enterprise concerned will work together to carry out calculations and consultations to determine the proportion of distribution and to decide the date for turning over profits to the state and the amount of profits retained by the enterprise.

2. Turning over profits to the state based on contracts, or progressively increasing the amount of profits turned over to the state based on contracts. In other words, using the profits turned over by an enterprise to the state during the reporting period as a base, the administrative department, the financial department, and the enterprise will exert joint efforts to calculate, discuss, and determine the profits turned over by the enterprise to the state during a stipulated period, or the percentage of an increase in profit turned over to the state within a certain period based on a contract. All these profits will be turned over by the enterprise in full. With regard to profits in excess of the amount which has been turned over to the state, these will be fully handled by the enterprise.

3. Substituting taxes for delivery of profits. In other words, the system whereby an enterprise turns over profits to the administrative department and locality every year is changed into a system of paying taxes to the government. Through rationally grouping taxes into several categories and readjusting tax rates, the state will change a certain portion of the profits turned over by enterprises into various kinds of taxes to be paid by the enterprises in the process of production and management. Following that the state will collect in a unified way a 55 percent income tax and a certain proportion of regulating tax from the enterprise. The remaining profits of the enterprises, after the deduction of taxes, will be entirely handled by each enterprise. Those enterprises making more profits will retain more, and those enterprises making fewer profits will retain less. Those enterprises that make no profits will retain none.

Although the above three methods each have strong and weak points, practice in recent years has proved that the method of substituting taxes for the delivery of profits has more strong points.

The strong point of distribution based on the total amount of profits, or the increase of profits is: As long as the proportion of profits turned over to the state is basically not reduced and the enterprises refrain from arbitrarily apportioning production costs and taking more profits than they share, with the expansion of the production of the enterprises, the profits turned over to the state will be appropriately increased. Thus the revenue of the state will be ensured. The weak point is that because of the application of the method of distribution based on the total amount of profits, enterprises can only retain a very small portion of fixed profits. This will hinder enterprises from bringing their enthusiasm into play. By applying the

method of distribution based on the new increase of profits, the enterprises can derive more benefits from the newly increased profits. However, with the potentials of the enterprises being gradually exhausted, the rate of profit increase might gradually slow down and the profits retained by the enterprises will be reduced accordingly. This will bring about a situation of "spurring on a flying cow," hindering the progress of enterprises at a later stage. In the meantime, by adopting this method the proportion of distribution of profits between the state and enterprises is mainly based on consultation and calculation. To do so, much work should be done and many variable factors will be involved. It is difficult to make the proportion of profit distribution conform to the actual situation. Apart from that, in the process of mass production and management, enterprises might arbitrarily increase expenses and production costs so that they will retain more profits and reduce the amount of profits turned over to the state. In such a situation it is difficult to establish stable relations of distribution between the state and enterprises.

According to the method of turning over profits to the state based on contracts, or progressively increasing the amount of profits turned over to the state based on contracts, the amount of profits turned over to the state and the rate of increase of profits are fixed by contracts, and all the profits in excess of the stipulated amount turned over to the state will be retained by the enterprises. Since enterprises will derive more benefits, this method will stimulate them to tap their potential, improve production and management, and enhance their economic results. As far as enterprises are concerned, the results are truly good. However, taking the situation as a whole, this method can only be applied within certain limits, and many problems still remain unchanged: 1) This method conflicts with the efforts to maintain the balance between income and expenditure of the state. Those enterprises that are willing to adopt this method are enterprises that have great potential, and they can increase their profits more rapidly. If the amount of profits turned over to the state by a great number of good enterprises is fixed, the state will not be able to get more profits even if the profits of these enterprises have increased. Hence, it is difficult to realize the idea that the state should have a great share in the newly increased profits of enterprises. With the development of socialist construction, the state will continuously increase its various expenses. This will make the efforts to maintain the balance between income and expenses more difficult. 2) This method is not beneficial to effectively using economic regulating means. The fact that profits turned over to the state by enterprises are fixed by contracts is tantamount to "welding" the economic lever into a fixed position. As a result, it is difficult for the state to make use of the means of tax revenue and prices to rationally readjust economic relations. For example, to readjust unreasonable prices, we should levy more product tax on some products whose profit rate exceeds the average profit rate for the general products of the society. After increasing product tax, should those enterprises that manufacture such products also increase their profits turned over to the state, and their profit rate as well? If no readjustment is made, some enterprises might attribute their failure in profits to the so-called external conditions. If relevant readjustment is made, this is tantamount to restoring the practice of "eating out of the same big pot," under which the

state takes everything into its own hands. In such a way, the expected regulatory role cannot be utilized. 3) It is difficult to fix the amount of profits turned over by enterprises to the state. Therefore, it is difficult to establish stable relations of distribution between the state and enterprises.

The method of substituting taxes for delivery of profits will make use of the strong points of the two methods mentioned above and remedy their weak points. In the meantime, it is also a prerequisite for smashing the practice of "eating out of the same big pot" within enterprises, for implementing the economic responsibility system at various levels, and for rationally solving the relations between enterprises and workers. This will be beneficial to the reform of the economic system of cities in various aspects.

1. After applying the method of substituting taxes for delivery of profits, the amount of profits retained by enterprises is no longer determined by repeated consultation, or the method of "bargaining." It is set in a unified way through the rational establishment of tax categories, and readjustment of the tax rate. All enterprises should strictly observe the unified tax system of the state. What the state needs to do is to establish a rational tax system, strengthen its financial supervision over enterprises, and examine their production costs. It is no longer necessary for the state to discuss with enterprises the calculation of the amount and determination of the ratio of profits turned over by enterprises to the state. In such a way, the constantly changing relations of distribution between the state and enterprises based on consultation can be replaced by the stable and legal relations of distribution.

2. After applying the method of substituting taxes for the delivery of profits, when enterprises make profits, they should pay profit tax to the state every year according to the law, whether their profits are higher or lower than the previous year. This will ensure the increase of the state revenue with the rise of the profits of enterprises. State tax departments have the power to check the profits and losses of enterprises. Enterprises should pay their full tax to the state on time. The situation where enterprises retain more profits for their own interests or delay payment of tax to the state will be basically avoided. All this will create favorable conditions for maintaining the balance between the income and expenses of the state, and effect a fundamental turn for the better in the financial conditions of the state.

3. According to the method of substituting taxes for the delivery of profits, enterprises can fully handle their remaining profits after paying various kinds of taxes to the state. The more profits they make, the more funds they will retain. If they make fewer profits, they will retain a lesser amount of funds. In such a way, enterprises will have more motivating power and feel the pressure put on them. This will solve the "long-standing, big, and difficult" problem where all enterprises are the same whether they run their business efficiently or inefficiently.

4. With the application of the method of substituting taxes for the delivery of profits, the state will give better play to the lever role of taxes through designing the tax system. For example, through levying a product tax on products of high price and profits and levying a resource exploitation tax on mines with better resource conditions, the phenomenon where profits retained by different enterprises are unreasonably different because of prices and external conditions can be solved. This will be beneficial to encouraging the advanced, spurring on the backward, and promoting necessary competition between enterprises under objective conditions which are not disparately different.

5. After application of the method of substituting taxes for the delivery of profits, all enterprises should pay taxes to the government without exception. It is no longer necessary for them to turn over profits to their direct superior administrative organs. This has completely cut off direct economic relations between enterprises and local administrative departments or organs. This will be beneficial to preventing administrative organs at various levels from unnecessarily interfering in the normal production and management activities of the enterprises, so that enterprises can independently carry out their economic activities under the guidance of the state policy and plan.

6. After the application of the method of substituting taxes for the delivery of profits, the revenue of the central government and local government is mainly determined by the method of forming tax categories and setting the proportion of tax revenue. Central and local enterprises should pay tax according to the law regardless of "relationships." Under the present financial system of "eating in different canteens," in which enterprises should turn over their tax to higher authorities in accordance with subordinate relations, the defects of barriers between departments and regions at different levels and blockades among various areas have inevitably occurred. With the application of the method of substituting taxes for the delivery of profits, these defects can be overcome. This method is beneficial for solving economic relations between departments and regions on the one hand, and the central government and local governments on the other.

The first stage of the reform of substituting taxes for the delivery of profits has been carried out since 1 June 1983. Good results have been achieved for such a short period of time. According to statistics, more than 280,000 state-run industrial enterprises throughout the country have carried out the reform of substituting taxes for the delivery of profits, accounting for 88.6 percent of the total number of enterprises making profits. In 1983, the production of these enterprises increased by 9 percent over 1982, and their profits increased by 10.9 percent over 1982. In 1983, they turned 61.8 percent of their newly increased profits over to the state, an increase of 8 percent over 1982. They retained 38.2 percent of their profits, an increase of 25.8 percent over 1982. Following the experiment of expanding the decisionmaking power of enterprises in 1979, we repeatedly stressed that the production output value and profits of enterprises, as well as profits that they turn over to the state, should simultaneously increase, and that the state should share the greater part of the newly increased profits of enterprises. These objectives were never fulfilled. However, after the

application of the method of substituting taxes for the delivery of profits, we have attained these objectives for the first time. In the meantime, the interests of enterprises and workers have also increased by a bigger margin. All this has shown that the interests of the state, and enterprises and state have been taken account of.

However, due to time limits, when we carried out the reform of substituting taxes for the delivery of profits in the first stage, we only made a decision on levying a 55 percent income tax on enterprises. We have not yet rationally readjusted and reformed the previous tax categories and tax rate. The problems of the great disparity of profits among enterprises and their imbalanced development have not yet been solved. In the meantime, with regard to the distribution of some profits after the deduction of profit tax, the state and enterprises should discuss the matter together. The relations of distribution between the state and enterprises have not yet been firmly fixed. To rationally solve the relations between the state and enterprises, to further establish and improve the economic responsibility system within enterprises at various levels, and to further arouse the enthusiasm of the enterprises and workers, we should lose no time in carrying out the reform of substituting taxes for the delivery of profits during the second stage in accordance with the arrangements made by the State Council.

### III. To Carry Out the Reform of Substituting Taxes for Delivery of Profits at the Second Stage, We Should Have a Unified Understanding of Several Problems

To ensure smooth progress of the reform of substituting taxes for the delivery of profits during the second stage, we should further unify our understanding of the following problems:

#### 1. The problem of arousing the enthusiasm of enterprises.

Some people maintain that after the application of the method of substituting taxes for the delivery of profits, although enterprises increase their profits, they have to pay tax to the state without any conditions. When the river rises, the boat goes up. The state will always share the greater part of the profits. This will hinder enterprises from arousing their enthusiasm to increase their production. This problem should be analyzed in a specific way. Enterprises exert great efforts to run their management and production, and they should share a greater part in the newly increased profits. This is an issue that should be taken into account when designing regulatory tax. However, enterprises should pay a profit tax according to the law. This is a duty enterprises should perform for the state and society. State-run enterprises should turn their greater amount of profits over to the state. This is determined by the nature of the socialist public ownership system of enterprises. This will also guarantee that the state revenue will steadily increase and that the objective demand of the increasing expenses of economic construction, national defense, science and technology, administration, people's well-being, and so forth will be satisfied. Any reform aimed at correctly handling the relations between the state and enterprises, and any propaganda and measures aimed at arousing the enthusiasm of enterprises and workers should not run

counter to this principle. Otherwise, instead of correctly handling economic relations between the state and enterprises, enterprises will be encouraged to proceed from their own interests to "haggle over every ounce" with the state. This will adversely affect the balance of revenue and expenditure of the state and the macroeconomic balance.

2. The problem of correctly determining the financial jurisdiction of enterprises.
- Some people hold that after the application of the method of substituting taxes for the delivery of profits, the state has collected too great an amount of funds from the enterprises. They would prefer another method so that enterprises can retain more and go their own way to develop themselves. They believe that this method will bring about better results. With the application of this method, enterprises can make use of the profits they retain to develop production, carry out technical reform, and run welfare services for workers. This will reduce the investment of the state. This will benefit society as a whole, and will not harm the state. This proposal should be further studied. Since ours is a socialist country, we should put the main aspects of economic work under control and relax control over minor aspects. In such a way, balanced development of the national economy will be constantly and consciously maintained. Putting the so-called main aspects of economic work under control means that we should exercise control over the general investment in capital construction and administer the reproduction of the society and enterprises in a planned way. This is the most important work we should do. Severe imbalance of the national economy has repeatedly occurred in the past. The most important reason for this is that we blindly expanded construction and we failed to exercise control over investment in capital construction. Therefore, while handling the relations of distribution between the state and enterprises, it is right to provide enterprises with financial power for simple reproduction. It is also necessary to provide enterprises with financial power so that they can carry out reproduction in certain small scopes. However, if all the funds for large-scale technical reforms and reproduction are entirely handled by enterprises, this will weaken the planned management of the state over capital construction. This method is not permitted by the financial power of the state because it will cause blind production on a larger scale and repetition in construction, and it will bring unnecessary waste and losses to the economic construction of the state.
3. The problem of fund sources of enterprises for the renewal of facilities and technical reform.

Some comrades maintain that much work should be done by enterprises in our country to renew their facilities and carry out technical reform. A number of key enterprises that were established and went into operation in the 1950's and 1960's should be upgraded. If we fail to grasp this urgent task, this will directly affect further continuous and stable development of our national economy. After the implementation of the method of substituting taxes for the delivery of profits, the state only allows enterprises to retain a small portion of profits. Under such circumstances, the ability of enterprises falls short of their wish to carry out reform. These comrades

suggest that profits turned over to the state by an enterprise be based on a contract system. After turning a stipulated amount of profits over to the state, enterprises may utilize their remaining profits to carry out reforms. They believe that such a method is more beneficial. At present, many enterprises are facing tremendous tasks for renewal and reform of the old facilities and technology. We believe that this is an important problem which should be seriously studied and solved. However, the conditions of various different enterprises are not the same, and the scale of reform and the amounts of funds they need are also different. In the meantime, the potentials of different enterprises that can be tapped are not the same either. All these problems cannot be solved by simply adopting the method of turning profits over to the state based on a contract system. If some enterprises need a large amount of funds to carry out large-scale reform, but their potential for increasing production and income is limited, the amounts of profits they can retain are also "insufficient," even if the growth rate of their fixed profits turned over to the state is low. Thus, their reform should mainly rely on the financial allocation of the state. Some enterprises are not large in size, and do not need too great an amount of funds for technical reforms. However, their potential for increasing production and income is great. Thus, they cannot spend all the profits they have retained, even if the growth rate of their fixed profits turned over to the state is high. Therefore, to solve the problem of funds needed by enterprises for their technical reform, only a very small number of enterprises and trades can adopt the method of turning over profits to the state based on a contract system or other special methods. For most enterprises, under the prerequisite of substituting taxes for the delivery of profits, it is better for them to adopt different measures in light of different conditions. With regard to enterprises that do not need too great an amount of funds, but have retained greater amounts of profits, they can completely solve their problems by relying on their own efforts. With regard to those enterprises that need large amounts of funds that cannot be covered by the profits they have retained for 2 to 3 years, they can solve their problems by relying on the loans provided by enterprises, provided that they have good prospects for increasing their production and income and have the ability to pay back the loans. With regard to enterprises that urgently need to renew their facilities and carry out technical reform, and which are regarded by state plan as key projects, if they cannot fulfill their tasks by simply relying on the funds they have retained, they may, in accordance with the approved plans, propose the specific figures they need. The state will then give preferential treatment with respect to reduction or exemption from taxes. The state should be bold in giving these enterprises preferential treatment in a practical way. In so doing, while extensively persisting in applying the method of substituting taxes for the delivery of profits, we can take into account the actual needs of enterprises. This will be beneficial for effectively bringing the large-scale renewal of facilities and technical reform of key enterprises into line with the state plan.

To put it simply the full-scale implementation of the method of substituting taxes for the delivery of profits is the best form and a correct orientation for handling the relations between the state and enterprises. It is also an important measure for speeding up the reform of economic system in cities. It will play a vital role in further promoting a healthy development of the national economy of our country.

## SEVERAL POINTS RELATING TO ENHANCING ECONOMIC RESULTS IN AN OVERALL MANNER

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 24-27

[Article by Cai Ninglin [5591 1337 2651] and Xin Shimin [2946 1102 2404]]

[Text] Attaining better economic results in an overall manner is the starting point of all our economic work, the effective means to bring about a fundamental turn for the better in the financial and economic situation as quickly as possible, the only way for us to develop production and construction and to ensure a benign cycle in the national economy, and also an important guiding principle established following our endeavors to sum up the experience of some 30 years of socialist economic construction.

The question of economic results is a question that can be found in any social formation. In carrying out economic activities, people intend to attain some expected objectives and pay attention to the results of economic activities. Economic results are a comparison between the consumption of labor and the results of labor in the course of social production and reproduction, namely, a comparison between "what is consumed" and "what is produced" or a comparison between "input" and "output." Stressing economic results means striving to attain the maximum results of labor with the same amount of labor consumption, or in other words, to attain certain results of labor with the minimum consumption of labor. The economic results under different social systems are essentially different. Under the capitalist system, the purpose of production is to grab as much surplus value as possible. Therefore, the criterion to assess economic results is just to make a comparison between the amount of capital a capitalist invests and that of surplus value he exploits. Under the socialist system, the purpose of production is to meet the ever growing needs of the material and cultural life of the broad masses of people. Therefore, stressing economic results means producing as much material and spiritual products as possible with the least amount of labor consumption possible so as to better meet social demand.

Under the socialist system, social demand is no longer confined to the limits of the exploitative system. It will constantly grow and be met ceaselessly along with the development of production. Moreover, the growth of social demand will constantly set still higher demands on production and thus push production forward. However, in a certain period, the social labor available for production is always restricted by such conditions which already exist in

society as material and financial resources and manpower. To resolve this contradiction, it is necessary to raise the level of production techniques, to improve production efficiency, to pay attention to economic results, and to develop the national economy with the overall attainment of better economic results as the center.

Over the last 30 years and more, the achievements we have scored in economic construction are far from suiting the hard labor the masses of people have put in. One of the fundamental reasons for this state of affairs is poor economic results. Since the 3d Plenary Session of the 11th CPC Central Committee, having summed up historical experience and made a thorough analysis of the current situation, our party has proposed that all economic activities be based on constantly attaining better economic results and has stressed that the whole economic work should be shifted to the track which gives priority to the attainment of better economic results. This is a strategic policy decision which entirely conforms to the objective laws governing the development of the socialist economy. Whether or not one can really foster the concept of paying attention to economic results and willingly put the attainment of better economic results above all other work in actual practice is an important question which has a bearing on whether or not China's economy can be developed in a vigorous and overall manner and on whether or not the magnificent goal set by the 12th CPC National Congress can be attained.

In recent years, Fujian Province has changed the situation in which it has closed itself to international intercourse for quite some time, persisted in opening to the outside world and invigorating the domestic economy, and carried out special policies and flexible measures, thus winning initial success, and at the same time, it has also achieved some successes and accumulated some experiences in attaining better economic results. However, there are still quite a few problems in this aspect. Compared with the advanced levels both at home and abroad, the province still has a long way to go. For instance, the energy consumption for every 10,000 yuan's worth of output value is over 6 tons, 200 percent higher than that of Shanghai and 100 percent higher than that of Jiangsu or Zhejiang Province; the profit yielded by every hundred yuan's worth of output value is about 22 yuan, one-quarter less than that of Shanghai; and tax and profit produced by every hundred yuan's worth of capital is about 21 yuan, one-third less than that of Shanghai. Although there are such uncomparable factors in this connection as the difference in the economic structure, this state of affairs also indicates that there are still many problems demanding prompt solution in such areas as guiding ideology, policy measures, managerial techniques, work methods, and enterprise quality.

We have learned from our experience in work that in order to attain better economic results in an overall manner, at present we should correctly and properly handle the following relationships:

1. Properly Handle the Relationship Between Macroeconomic Results and Microeconomic Results

Macroeconomic results refer to the general and whole economic results of the national economy while microeconomic results refer to the partial and

specific economic results of the national economy. In a certain sense, it can be said that macroeconomic results are the prerequisite and final objective of microeconomic results and microeconomic results are the base and means to achieve macroeconomic results. The two influence and restrict each other. Therefore, in all economic activities, we should pay attention to raising the economic results of the point (an enterprise), the line (a department or trade), and the area (one locality) on the one hand and raise the economic results of the above-mentioned three aspects as a whole, strengthen the sense of taking the situation as a whole, make proper arrangements for partial and local interests and overall interests under a unified state plan, and strive to unify microeconomic results and macroeconomic results on the other hand.

Generally speaking, macroeconomic results and microeconomic results condition and depend on each other for existence. To raise macroeconomic results, it is necessary to pay particular attention to raising the microeconomic results of enterprises. The attainment of better microeconomic results helps raise macroeconomic results. However, in a given period and on some occasions, macroeconomic results and microeconomic results are contradictory. This is because macroeconomic results are the organic combination of economic results attained in complicated social relations rather than being a simple addition of microeconomic results. Because an overall reform has not yet been conducted in such areas as the pricing system, commodity circulation, taxation, and finance, we can, more often than not, see such a situation in real life: what is conducive to some enterprises, departments or localities is very likely to be detrimental to raising the economic results of the country or a specific province as a whole and what is conducive to raising the economic results of the country or a specific province as a whole is very likely to be detrimental to some enterprises, departments, or localities. For example, when there is a strain on the supply of energy and raw and semifinished materials, the fact that the enterprises which turn out poor quality, unsalable products with high consumption rates consume excessive amounts of energy and raw and semifinished materials can cause the advanced enterprises which turn out fine quality products that have a good market with low consumption rates to operate under capacity due to the lack of supply of raw and semifinished materials and energy. If we force ourselves to maintain the abnormal situation in which "the inferior squeeze out the superior" and "the backward elbow out the advanced," as for some backward enterprises or localities, this will probably bring some advantages and even great advantages to them but so far as the overall interests of the country or a specific province is concerned, it will cause tremendous harm to them. Next, for example, because the methods of fixing higher prices for quality products and lower prices for shoddy goods have not yet been practiced in a satisfactory way, so far as production enterprises themselves are concerned, the improvement of the specifications and quality of some products (such as some energy conservation products and environmental protection equipment) cannot bring them any advantage but on the contrary, because the production enterprises adopt new materials, technologies, and molds, their production costs are bound to increase and their profits and officially owned funds are bound to decrease and this will have a direct bearing on the incomes of their staff and workers in terms of bonuses. However, as for the enterprises which use these products, they can change their product mix, promote their technological progress, raise

their ability to compete, and significantly improve their beneficial results. Again, for example, if we take into overall consideration the problems cropping up in the operations and management, such as costs, profits, taxation, employment, purchasing prices, intermediate links of the enterprises which turn out highly profitable or unprofitable export goods and the irrational methods of charging fees, these goods may turn out to be falsely profitable rather than being really profitable or falsely unprofitable rather than being really unprofitable. In handling this contradiction properly, we must follow the principle of subordinating the part to the whole, the microeconomy to the macroeconomy, and take macroeconomic results and microeconomic results simultaneously into account on this basis.

To make this work a success, it is necessary to raise the macroeconomic policy-making level, set up and perfect a scientific economic policy-making system, and improve economic policy-making procedures. All planning, economic, financial, taxation, banking, foreign trade, customs, agricultural, industrial, commercial, materials, and industrial and commercial administrative departments should break down barriers between different departments and get rid of the limitations of departmental interests, change the situation in which all units concerned vie with each other for gain, make vigorous efforts to cooperate with each other, and strive to enlighten each other and coordinate with each other in terms of work and systems so as to ensure the attainment of better macroeconomic results. At present, there are quite a few loopholes but huge potential in this aspect. For instance, due to mistakes and quality problems, in Fujian Province's foreign trade in 1983, there were 30 cases of foreign firms claiming compensation. Nearly \$200,000 in compensation was awarded. If ports and the transport, commercial inspection, customs, and banking departments can give full cooperation to each other and remittance accounts for every export deal can be settled 1 day earlier, the amount of bank interest alone recovered in a year will total \$200,000. What counts in this respect is the fact that we should form the concept of subordinating microeconomic results to macroeconomic results and departmental interests to the interests of the whole.

## 2. Properly Handle the Relationships Between the Long-Term and Immediate Economic Results

Economic activities are continuous by nature. Many major economic measures, such as infrastructure construction, the tackling of important problems in scientific research and the popularization and application of scientific and technological achievements, the readjustment of economic structure, the improvement of the distribution of productive forces, and the training of engineers and technicians, will take a rather long period of time to materialize and it will also take a certain period of time for various production factors to give play to their roles. Some plans, measures, or development projects can produce quick and satisfactory economic results but cannot remain prosperous for long enough to ensure the attainment of long-term economic results. On the contrary, some plans, measures, or development projects cannot yield results in a brief space of time but can lay a sound foundation and accumulate strength for vigorous economic development, and thus they have staying power and can be effective for a long time. Therefore,

to pay attention to economic results, it is necessary to look at the overall situation extensively, to take into account both past experience and the situation that may possibly arise in the future, and to correctly handle the relationship between the immediate and long-term economic results.

Fundamentally speaking, under the socialist system, the immediate and long-term economic results are identical. However, in a particular period and within a certain limit, there are contradictions of one kind or another between the two. If we depart from this general objective--the attainment of better economic results--and mishandle them, there will emerge a contradiction between the immediate and long-term economic results, and so is the case with such areas as the opening up of forests, the catching of aquatic products, and the utilization of natural resources. If we carry out excessive exploitation and even "drain the pond to get all the fish" or just proceed from the interests of specific departments and localities or from immediate interests and fail to pay attention to the rational exploitation and comprehensive utilization of resources and to ecological balance and environmental protection, this will surely affect the long-term economic results, bequeath troubles to our descendants, and have serious consequences. On the other hand, when there is a relative strain on financial and material resources, if we put excessive and inappropriate stress on long-range tentative plans and fail to give consideration to the short-term economic results, to be good at effectively combining the short-term arrangements with long-range developments and if we engage in excessive construction and overextend the battle line on all fronts rather than proceeding from the capabilities of the country and the actual conditions of a specific province and doing things within the limits of our means, this will impede the smooth proceeding of simple reproduction and the turnover and accumulation of funds. This will be not only harmful to the immediate economic results but also detrimental to really raising the long-term economic results.

In the course of upgrading their equipment and carrying out technical transformation, enterprises import some advanced technologies and equipment and spread the application of scientific research findings and for this, they may "put in" larger amounts of materials resources and expenses. However, the gradual development of the applied scientific findings may result in an impressive "output" with lower consumption rates and promote the technological progress of society as a whole. For this reason, we should make an investigation and analysis and repeated comparison and calculation, weigh the advantages and disadvantages, firmly grasp the objective laws governing economic activities, thoroughly bring to light the essential ties and development trends of the various links and factors of social reproduction, adopt various countermeasures, make overall and rational plans and take all factors into consideration, and integrate the long-term economic results with the immediate economic results ingeniously by proceeding from actual conditions and in the spirit of dealing with each case on its merits.

### 3. Properly Handle the Relationship Between the Economic Results From the Consumption of Labor and Those From the Use of Funds

The economic results from the consumption of labor refer to the comparison between labor consumption and the results from it in production while the economic results from the use of funds refer to the comparison between the funds poured into production and the production results from the use of the funds. Consumption of labor is closely related to the increase and reduction of funds. Under the conditions of given production techniques, an increase in the consumption of labor means a corresponding increase in the use of funds. On the contrary, a decrease in the use of funds means a corresponding reduction in the consumption of labor. If technological progress is achieved, there will be an inverse relationship between the consumption of labor and the use of funds: the increased use of funds will result in an improvement in the technical level and production efficiency and a reduction in labor consumption per unit production. The use of fewer funds due to backward technology will result in an increase in labor consumption per unit production. This state of affairs indicates that the relationship between the consumption of labor and the use of funds is intricate.

To attain better economic results in an overall manner, it is necessary to start with the overall study of "the consumption of labor" and "the use of funds" and to handle them appropriately. With a huge population and abundant manpower, Fujian Province is relatively backward economically, short of funds, and deficient in mineral resources and energy. Therefore, seen from the situation of the province as a whole, to change its backward features as quickly as possible, it is necessary to develop trades and enterprises which use less investment but offer more jobs, to give priority simultaneously to the use of advanced and intermediate technologies and manual labor, to promote faster growth of construction with fewer construction funds, and to raise the economic results from the use of funds by a big margin. However, the situation varies from place to place. Located near ports, Fuzhou, Zhangzhou, and Quanzhou and the Xiamen Special Economic Zone have wide relations with Overseas Chinese residing abroad, a good sea transport service, a flexible information system, various channels of funds, and favorable conditions in importing foreign technologies and managerial experiences. Therefore, they are encouraged to operate technology-and-knowledge intensive processing industries and small processing industries which consume a little amount of energy. The other localities should proceed from actual conditions, conscientiously analyze and weigh their own real capabilities, such as the financial and material resources, technical force, the managerial skills of industrial enterprises, transportation, energy supply, water resources, and market conditions, define the industrial structure and product mix, choose the scope and production techniques of enterprises, adopt appropriate economic and technological policies and policies on equipment, and ingeniously handle the relationship between the economic results from the consumption of labor and those from the use of funds so that the two can better form an integral whole while creating the maximum economic results.

#### 4. Properly Handle the Relationship Between Economic Results and Social Results

All economic activities belong to the economic activities of society. Under the capitalist system, to grab the maximum profits, capitalists always resort to every conceivable means and disregard and even infringe upon social results. Under the socialist system, the purpose of developing the economy is to meet the ever growing needs of the cultural and material life of the community and its members and therefore, economic results and social results are identical. While striving to attain better economic results, we should pay full attention to raising social results and give overall consideration to and strike a comprehensive balance to such social issues as employment, production safety, environmental protection, ecological balance, comprehensive utilization of resources, improvement in the people's livelihood, and the building of spiritual civilization. For example, seen from the angle of a locality, a department, or an enterprise, the construction of a certain project or the production of a certain product may boost the income from taxes and profits and produce relatively high economic results but if the three wastes are not handled properly, the natural resources and ecological balance will be disrupted, the environment will be polluted, and social results will be seriously affected directly or indirectly. Such being the case, economic results of this kind can only be considered one-sided, very poor, or even false rather than being comprehensive and rather satisfactory. Conversely, the construction of a certain project, the production of a certain product, or the development of a certain undertaking may not produce in itself any direct significant economic results and even cannot produce any economic results in a short time but it can create conditions for the development of society as a whole and benefit the broad masses of people, and moreover, its economic results can find expression indirectly in social results or in the development of other departments and enterprises. Then it can be said that it has real and fairly satisfactory economic results. This proves that we should adopt an overall point of view, look at things dialectically with an eye on the course of their development, and combine economic results with social results organically.

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## GIVE FULL PLAY TO THE ROLE OF CITIES IN ORGANIZING THE ECONOMY

Beijing RED FLAG in Chinese No 13, 1 Jul 84 p 28

[Article by Jing Ping [2529 1627]]

[Text] "We must give scope to the role of the cities, particularly that of big and medium-sized cities, in organizing economic activities." This was pointed out by Premier Zhao Ziyang at the Fifth Session of the Fifth NPC, which was held in November 1982.

To give scope to the role of the cities in organizing economic activities and to overcome some of the irrationalities in our current economic life, such as creating barriers between town and country and between higher and lower levels and duplication of leadership in enterprises, we must change the situation in which "all enterprises are under the administration of the relevant leading departments and under the administration of regions." With the exception of the enterprises which are provided with the conditions to become national or regional corporations, the vast number of other enterprises should gradually come under the administration of city authorities. Enterprises and even the small number of large key enterprises should no longer be put under the direct administration of the relevant leading departments and should come under the administration of the departments of their trades. What then should the relevant leading departments take charge of? They should take charge of principles, policies, planning, coordination and service, and supervision. This helps them give more leadership over different trades. The existing departments should gradually streamline their administrative structure and should be amalgamated. It is not necessary to restore those departments which have already been disbanded. If leading departments are overlapped, it will be virtually impossible for them to do anything that needs to be done for all trades.

Due power should be transferred to all lower levels. Giving scope to the role of the cities in organizing economic activities does not mean that cities should put up many professional departments to exercise control over everything. They should exercise strict control over major matters, while adopting a flexible policy toward lesser ones. Only when power is transferred to lower levels will it be possible for leading departments to deal with major matters. Only by so doing will we improve the bureaucratic workstyle. There might be some trouble when due power is given to lower levels but certainly, doing this

has many advantages. In the past we always feared that troubles might breed if power was transferred to lower levels and underestimated the initiative of units at a lower level when they were granted certain powers. As a matter of fact, the advantages of their initiative can certainly make up for the losses which might incur from possible troubles. A matter always has both advantages and disadvantages, we must know how to weigh the pros and cons. When advantages overwhelm disadvantages, we must decide to do what we want to do. This is a basis for our policy-making.

To give play to the role of cities in organizing economic activities, we must also give more decisionmaking power to enterprises. First of all, they must be given power in financial distribution. Enterprises must link incomes of their workers and staff members with their economic results and gradually introduce the practice of imposing "no ceiling" on bonuses for their workers and staff members. Enterprises must also be granted certain powers in planning, and in marketing and sales of products. It is not wise for us to exercise strict control over the distribution of materials, when they are in short supply. We must take a flexible policy. When enterprises are granted more decisionmaking powers, their enthusiasm for production will be boosted and more products will be turned out. Enterprises may duly sell their products when they have overfulfilled all the quotas of the state plan. Even the enterprises whose products are in short supply on the markets must too have a certain portion of their own products for sales by themselves. In addition, enterprises must be given due power in personnel affairs and technical transformation as well as wages, sales of products, and selection and purchase of raw materials. The due power in these fields must actually be given to enterprises, and empty words should not be made. Only by so doing will it be possible for us to make new breakthroughs and advances in enhancing the quality of enterprises from year to year.

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## ENRICHING THE PEOPLE IS THE FIRST STEP IN ADMINISTERING THE COUNTRY

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 29-30

[Article by Zhu Yuanshi [2612 0037 4258]]

[Text] Each leader assumes certain responsibility, major or minor, for "administering the country." He must do all kinds of work beneficial to the people within the scope of his functions and powers.

What is the prime consideration in "administering the country"? As people often say, "a new official likes to enforce some strict regulations." What should be the first "strict regulation" enforced by many new leading bodies established after the structural reform? Since we have the necessary conditions, given no special problems, we, the cadres in charge of economic work, must try by every possible means and spare no effort to seek ways to "make fortunes" and achieve better economic results so as to enrich the people. One's achievements in an "official career" depend on whether one bears in mind that the most important task now is to conduct socialist economic construction and whether one pursues the policy for enriching the people so as to terminate the previous poor and backward situation and to usher in a happy socialist life for the people as soon as possible. As Comrade Deng Xiaoping said: "According to the viewpoint of historical materialism, the achievements of a correct political leadership will eventually find expression in the development of productive forces and the improvement of the people's livelihood." "We must do our best to speed up the development of productive forces and to enhance the living standards of the people by making good use of our favorable conditions so as to enable our people to lead a better material and cultural life." ("Selected Works of Deng Xiaoping," p 123)

We must do this. This is beyond any question. Both positive and negative experiences in the past have provided profound lessons for us. The disastrous consequences of the "Cultural Revolution" alone have greatly widened our knowledge. In those days, although people had need of food, clothing, shelter, and transportation, they were not allowed to discuss production. If you made efforts to develop the economy and encouraged people to make fortunes through hard work, you would immediately be labeled as a "capitalist roadster" and be forced to cut your "capitalist tail" again and again. That "the poor are revolutionary and the rich will turn revisionist" seemed to be an inexorable law. People were afraid of mentioning economic matters, as if

fearing that the sea monster described in the "Arabian Nights" would break away from the bottle in which it had been confined for thousands of years. In those days, leaders at all levels did not need to feel anxious about production situations no matter how poor they were; instead, they could feel at ease and justified while indulging in empty talk about "revolution." As a result, the people became poorer, and the state also fell into a wretched plight. Thus, misfortunes and disasters befell the state and the people.

Since the 3d Plenary Session of the 11th CPC Central Committee, order has been brought out of chaos. Promoting production and developing the economy have become completely right and proper and have become the party's central work and the task of prime importance for all leading bodies. As a result, the ugly monster has not been released; instead, the broad masses, especially the peasantry, have greatly benefited from the new policies. They never dreamed before that they would now be able to bring home piles of renminbi. The people are full of joy; production is developing vigorously; and the whole country presents a prosperous and brisk appearance. As an ancient saying goes, "hunger breeds discontent, and people regard food as the most important thing." Only by developing production and meeting people's needs in their lives, can we lay a solid foundation for invigorating our nation and building China into a strong power.

In the past, we failed to see the essential side of the matter and only recognized that "the small streams rise only when the main stream is high; and the small streams run dry if the main stream is low." In fact, the matter has another side, that is, "all rivers carry water to the sea." Only with running water from small streams, can rolling torrents of water surge in a main river. Material wealth is created by the people. In order to ensure that wealth will keep gushing out in all parts of the country, we must, first, give a strong incentive to the people's enthusiasm for production and must not impose strict restraints on them; and second, we should provide the people with the necessary means of production and must not create such a situation in which even simple reproduction is difficult for them to carry on. The masses have inexhaustible creative and intellectual power in developing wealth. Take the rural areas as an example. With the introduction of the household contract system and the development of economic diversification, a large number of specialized households have emerged in the field of commodity production. They have become representatives of advanced productive forces in the countryside and pioneers in studying and applying science. Their hard work has brought them handsome fortunes, and their achievements have made a stir in their neighborhoods and nearby areas and have encouraged and spurred other peasants to take the same road to make themselves rich. Under the influence of specialized households, the rural economy has been diversified and turned from exclusive grain production to varied industries, and the rural economic entities have changed from a "small and comprehensive" type to a "small and specialized" type. The emergence of specialized households has promoted the forming of new rural economic associations and promoted the specialization and socialization of agricultural production. With specialized households taking the lead, "specialized villages," in which all households are engaged in a special trade, have emerged in some localities. On the basis of specialized villages, some localities have even formed a variety of

specialized towns, townships, and markets on varied scales. Rural enterprises have become an important complement to the national economy and represent the only way of upgrading the rural economy.

Perhaps, some people who still adhere to egalitarianism have not come round. They question why wealth should not be divided equally among all people. Their outlook on the work is so limited that favorable developments will simply make them sad. In fact, it is unrealistic to hope that all people will become equally well-off at the same time. It is inevitable that some people will become rich faster than others and that a very small number of people may encounter difficulties for various reasons. However, if we truly and wholeheartedly work for the well-being of the people, we should allow some people to become well-off ahead of others, because this conforms to the law governing the development of things. In a country as large as ours, with conditions greatly varying from one place to another, it is completely impossible and is not feasible to offer food to people from the "same big pot" and require all people to become rich simultaneously without bringing about any difference in their standards of living. Is it sensible and wise of us to tie the hands of all people together and allow no one to stand out among others? Or should we allow each one to display his or her special prowess and develop his or her advantages in competition? In the process of development, differences are bound to exist between the south and the north, between the coastal areas and the interior areas, and between different provinces, counties, units, and individuals. It is of no consequence that differences and particularities exist. This is a normal situation in the process of competition and will only result in promoting the development of things. A special thing should be treated in a special way, and require special approaches. Only thus can special results be brought about. Therefore, we should have a deep understanding of Comrade Deng Xiaoping's following statement: "As for economic policies, I think that some localities, enterprises, workers, and peasants should be allowed to increase their incomes and improve the standards of living ahead of others through hard and efficient work. People who succeed in raising their standards of living will certainly play an exemplary role and influence their neighbors, and people in other localities and units will follow their example. This situation will thus enable the national economy as a whole to surge ahead continuously and enable the people of all nationalities throughout the country to become rich as soon as possible." ("Selected Works of Deng Xiaoping," p 142) Becoming rich together is our objective, and allowing some people to become rich ahead of others is a strategic measure to achieve this objective. This is self-evident. We must understand this overall strategy and proceed from it, and try hard to meet the requirements of the party and the needs of the masses. We should strengthen ideological and political work and prompt cadres and ordinary people to further emancipate their minds and go all out to make themselves rich through hard work so as to really achieve the objective of enriching the people and strengthening the country.

We must not let slip this opportunity. In the past, the long-standing erroneous guideline of "restraining collective and individual economies from developing and effecting the so-called 'poor transition'" wasted too much of our time, and must now be thoroughly corrected. People in Shenzhen have

raised a good slogan: "Efficiency is life and time is money." We must realize the importance of time, and work hard to open a socialist road with Chinese characteristics. In the final analysis, the enhancement of productivity is the best and most important guarantee for the consolidation and final victory of the new social system. The judgment formed by history always first affirms successes in the people's cause and then points out the deficiencies. We must keep sober-minded and must never be influenced by the gossiping of people who are jealous of others' achievements. We must firmly promote this vigorous situation in which people can become rich through hard work and promote the simultaneous development of the state, collective, and individual economies so as to speed up the pace of the four modernizations.

"The first principle for administering the country is to enrich the people." (Quoted from the "Historical Records" by Sima Qian of the Han Dynasty) We communists should apply this ancient maxim to our work without hesitation. Declaring this principle to be the "first" is full of dialectics. This shows that great achievements can be made on the basis of "enriching the people."

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## REFORMING SYSTEMS AND CHANGING STYLE

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 31-34

[Article by Ri Shan [2480 1472]]

[Text] Comrade Li Guowen's novel "No 5 Garden Street" sings the praise of the selflessness and fearlessness of the men of action of the four modernizations in carrying out reforms and blazing new trails, while mercilessly castigating bureaucratic work style that undermines our undertaking. This kind of carefully disguised bureaucratic work style is fully embodied in Vice Mayor Ding depicted in the novel. Vice Mayor Ding is a vice mayor in charge of day-to-day business. How does he deal with numerous government affairs every day? Let us list his major knacks in dealing with those affairs:

In a calm and smooth tone and with "great modesty," he will say:

"Let us spare some time to carefully study it!"

"Do you not think that we need to make more observation?"

"Will it not be better to let people discuss it first!"

"Let us discuss it later! What do you think?"

"There is no precedent for this!"

"That is not the way we did it in the past!"

"It will do us good to make more consideration over it, won't it?"

"Will you give me more time to ponder it?"

"To be honest, I cannot give a definite view at once!"

"Give me some time to think it over..."

"There should be no haste in this affair..."

And so on and so on.

Vice Mayor Ding deserves to be called a tactful and worldly wise man who really masters the techniques of putting people off in his leading post. There is nothing to blame a man in a leading post for if he says he wants to study, observe, discuss, discuss later, make more consideration, ponder over, or needs time to think things over or if he says that he cannot give a definite view or do things in haste. However, it is not difficult for people to see through the cover of positive wording the pure bureaucratic work style of the vice mayor who is poor at working for the state and good at pursuing his own interests. His actual work style is to stall people with empty words, delay in doing his work, shift responsibility to other people, act irresponsibly and pay no attention to efficiency. Does this kind of mentality and leading and work style fall far short of the demands of the new situation and tasks of the four modernizations? That is why Lu Sha, who has enthusiasm for reform, writes in her diary that many fine and bright things in our country have been delayed by these words. This is a perfectly correct criticism of these words.

The artistic image of Vice Mayor Ding depicted in the novel has a certain typical significance. His "experiences" in carrying out his work indeed arouses people to think profoundly and enables them to understand that while we reform our system and create a new situation in our socialist modernization, we must overcome diverse forms of bureaucracy and change our leadership work style. For a good system and a good work style supplement each other. A good system has to be established and implemented by people and the defects in a system have to be solved by people. We should not only see that we will not be able to do our work satisfactorily if we have only a good work style but there are serious defects and weak points in our system; but we should also see that if our leadership work style does not improve in line with the reform we have carried out, it is still difficult to give effective play to the superiority of our system.

Recently, in his "Government Work Report" to the Second Session of the Sixth NPC, Premier Zhao Ziyang put forth a series of important principles, policies and actual measures for urban economic reform. The new situation and new tasks demand advanced and scientific leading work style, and thinking and work methods that are suited to the situation and tasks and demand the removal of a variety of thoughts and work style that are not suited to the situation and tasks and impede our progress. When he talked on the work of party rectification not long ago, Comrade Hu Yaobang said: "In carrying out our four modernizations program, we have many difficulties, lack funds and are backward in administration and management. There is moreover the serious malpractice of 'eating out of the same big pot.' I think that the biggest difficulty is how we are to heighten our cadres' thoughts." What he meant by heightening cadres' thoughts included changing their leadership and work style. However, it is not easy to heighten cadres' thoughts, change their work style and train them to master the materialist dialectic thinking method. For this we must make great efforts.

In order to adapt our thoughts and work style to the prosperously developing practice of reforms, it is imperative for our cadres to restudy the Marxist ideological line that the CPC Central Committee has reiterated since the

3d Plenary Session of the 11th CPC Central Committee, and the series of expositions on leadership and work style given by the CPC Central Committee. Of these expositions, we should pay extremely great attention to those on the problem of overcoming bureaucracy and formalism. Bureaucracy and formalism has been a long-standing malpractice in our work of leadership. They seriously hinder the effective implementation of the party. In the process of reform, we should pay special attention to correct and overcome this malpractice.

Since the 3d Plenary Session of the 11th CPC Central Committee, while vigorously advocating and pushing forward structural reform on the basis of bringing order out of chaos, our party has been making efforts to restore and carry on its fine tradition and work style. Under the new historic conditions, the party has sharply criticized the serious practice in our leadership work of formalism, book-worship, and bureaucracy which caused our leading groups to be willing to function as reception offices or offices for incoming and outgoing mail. It has stressed that we should emancipate our minds, be brave to make exploration, investigation, and study, seek truth from facts, probe into the new situation and solve new problems. The party particularly exposed various practices of bureaucracy and analyzed its harm and social sources. In his closing speech at the CPC Central Committees Work Conference which was held on the eve of the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping pointed out: "Bureaucracy is the consequence of small production and is incompatible with socialized mass production. In order to carry out the four modernizations and switch, in an all-round manner, our socialist economy onto the technological basis of mass production, we must overcome the harm of bureaucracy." ("Selected Works of Deng Xiaoping," p 140) He very pithily and profoundly calls bureaucracy a harm to the four modernizations and an "outcome of small production." We know that in the years after the October Revolution when Lenin was leading the construction of the Soviet state power, he found with intense disgust "the most harmful practice in the actual work of astonishing delay, dereliction, bureaucracy, and incompetence." ("Collected Works of Lenin," Vol 35, p 431) He raised a cry of warning: "Some communists have become bureaucrats. If there is anything that can ruin us, it is just that." ("Collected Works of Lenin," Vol 35, p 552) Lenin regarded "red tape in a Chinese-style official system" as a typical example of bureaucracy. Indeed, bureaucracy is a long-standing complicated historical phenomenon. Our phenomena of bureaucracy now has its own characteristics in addition to the common characteristics of the bureaucracy in the past. It differs from both the bureaucracy in old China and the bureaucracy in capitalist countries. It is closely related to the highly centralized administrative system which we for a long time thought we had to exercise over our economy, politics, culture, society in our socialist system and system of planned management. Another root cause of bureaucracy was that for a long time in our party and government administrative organizations and the leading organs of our various enterprises and institutions, we lacked strict norms and regulations to govern the administrative work from top downward nor did we implement a responsibility system geared to each official as an individual. Therefore, we must reform our management system. The bureaucratic style in our society has its causes in both our management system and in our ideological style and those two causes are linked with each other. If we fail to

remove its cause related to the system, we cannot remove its cause related to ideological style. However, this does not mean that the cause related to ideological style will be automatically removed as soon as the system is reformed. Therefore, in preventing and overcoming bureaucracy, we must start from both reforming our management system and changing our ideological style and carry out our work on these two aspects simultaneously. Concerning the party rectification work that we are carrying out at present, the Central Commission for Guiding Party Rectification has time and again stressed that the party rectification units must implement the principle of simultaneous rectification and correction of defects and pointed out that we should focus on correcting serious unhealthy trends in carrying out simultaneous rectification and correction of defects. In so doing we must grasp two aspects of our work: 1) We must grasp correcting the unhealthy trend of utilizing one's power of office and working conditions to pursue private ends and 2) we must grasp correcting the bureaucratic work style of neglecting one's responsibility for the party and state. Overcoming and preventing bureaucracy is an important aspect in achieving a radical turn for the better to our party work style and is an objective demand in carrying out the reform and building a socialism with Chinese characteristics. We should have a deep understanding of this and adopt earnest and vigorous measures to do that.

In overcoming bureaucracy, we should emphasize accuracy, promptness, efficiency, and speed in our work style. This means that we should quickly respond to the constant change in objective reality, correctly understand the actual situation, make prompt policy decisions on the problems that we should solve, and achieve the greatest efficiency. Never should we fail to entirely understand the situation, rely on hearsay, behave in a lax and dilatory manner, remain undecided, and pay no attention to time and efficiency. At Shekou Industrial District, Shenzhen, we see an eye-catching slogan which reads: "Time is money and efficiency is life." The enterprises and organizations there are particular about efficiency and people described the work there as like races in a sports ground. This spirit of working with all one's might and this intensive work rhythm to make every minute count which is based on their sense of urgency and responsibility for the magnificent cause of the four modernizations, will indeed waken those comrades who have suffered from the chronic disease of bureaucracy.

In overcoming bureaucracy and formalism and changing leadership style, we should also stress giving play to our creativeness. Now quite a few people are talking about relaxing restrictions and this means that we should decentralize and invigorate our management system. Concerning our thinking style, there is also a problem of breaking away from the fetters of various kinds of old concepts, conventions, and habits in our minds. The formalist and mechanical leadership method and style of copying from the ways of other people will only extremely seriously hinder our efforts to give play to the creativeness, initiative, and wisdom and talents in our work in all fields. Comrade Chen Yun said that we should not absolutely follow the instructions of the upper levels or what is said in books, but we must absolutely follow truth. This means that in thinking over problems, making proposals, and doing things, we should not start from books or documents, but should persist in starting from reality and seek truth from facts. Since the 3d Plenary

Session of the 11th CPC Central Committee, our party put forth the necessity to give, under the prerequisite of maintaining the centralized and unified leadership of the central authorities, full play to the initiative of localities and departments. Localities are allowed to think what the central authorities fail to think about, do what the central authorities have not told them to do if the localities feel assured that it can be done; they can adopt alternative measures, if what the central authorities tell them to do is not suited to local measures; and they are allowed to dispute if the decisions of the central authorities are wrong. This means that they are allowed to think, act, change, and dispute. Of course according to the organizational principle, in doing these, they have to promptly brief the central authorities on the situation, exchange views with them or report to them and ask for instructions. At the same time, we should centralize what should be centralized and obey the centralized directions. By so doing, we will dialectically unify the observation of principle with the practicing of flexibility, and the observation of discipline with creativeness. Our prosperous socialist cause is the creation of the masses of people. As the practice of reform changes with each passing day, new things, conditions and problems will continue to emerge before us. Only by creatively implementing, in the light of reality, the CPC Central Committee's reform policy decisions and measures can we create new situations and take a new stride forward in our work.

One of the important aspects in giving play to our creativeness in our work of leadership is to attach importance to the people of talent who have a strong pioneering spirit and a strong sense of responsibility, are diligent in using their brains, are brave to blaze new trails, work hard to make progress, can form opinions on their own, and are earnest to open up new prospects. We cannot deny that one of the major malpractices in our life is to be jealous of people of talent and virtue and to discriminate against, harm, and even persecute those who are advanced and who stand out more than others. It is often the case that if a man takes a step forward in carrying out reforms, blazing new trails and opening up new prospects earlier than other people, he will be a target by gossips everywhere. If a man has scored no achievements, never has any creative ideas, does not want to make progress and is absolutely obedient, he will be regarded as being modest and steady; while those who dare to put forth proposals and opinions for improving our work are often branded with the labels of "proud people" or "people who boast" and criticized in a wanton and unwarranted manner (however people do not pay attention to the question of whether these proposals and opinions are correct and feasible). Is this not worth our conscientious consideration? In a speech 3 years ago, Comrade Deng Xiaoping talked about the question of how we were to deal with the problem of "pride" which was often criticized. He said: "I somewhat doubt the meaning of the word 'pride.' Anyone who has some enthusiasm and competence in his work, often believes in his own views and is a man who has his own definite views. The more definite views one has, the more self-confident a man will become. This is not a bad practice." ("Selected Works of Deng Xiaoping," p 342) To be on our guard against impatience and pride is a good work style that we have always advocated. True, if a man is proud, he should conscientiously overcome his pride. However, we should indeed make an analysis of the "pride" that people often criticize. The above passage of

Deng Xiaoping's words contain profound dialectic analysis and dialectic reasoning. It provides us with a scientific thinking method in observing social phenomena. Only such a thinking method and a sober understanding can facilitate the establishment of a vigorous work style to promote the reforms.

The publication of Premier Zhao Ziyang's "Government Work Report" has been enthusiastically hailed by the vast number of cadres and people throughout our country. The party and government policy decisions on the reforms are gradually turned into the conscious actions of the people in the urban and rural areas of our motherland. The practice of reforms has been prosperously developing. Let us bring a vigorous turn for the better to our leadership and work style and make our structural reform and improvement of work style supplementary to each other and thus promote the continuous creation of a new situation in our work in all fields.

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## IT IS IMPERATIVE TO TAKE THE ROAD TO REFORM IN DEVELOPING HIGHER EDUCATION

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[Article by Liang Chenglin [2733 2052 2651]]

[Text] The establishment of a high level of socialist material and spiritual civilization is impossible without the development of education and the fostering of talented people in all fields. Institutes of higher education are important bases for the cultivation of able people, and the question of how to reform them under the new conditions to accommodate the needs of the four modernizations has become an important issue in urgent need of solution. Comrade Deng Xiaoping's comment that "education must turn toward modernization, the world, and the future" marks out new demands and new tasks for the hastening of the growth of education, and provides a clear orientation for the reform of higher education.

Shanghai represents a major economic, scientific, and cultural base in China. However, Shanghai's present industrial structure is not sufficiently rational; labor-intensive, capital-intensive and technology-intensive industries stand at a ratio of 4:4:1. There is too small a proportion of technicians, and an especially serious shortage of high-level specialists; a survey by the Shanghai Economic Commission has shown that only 0.02 percent of its staff and workers are of postgraduate level or above, accounting for only 0.22 percent of its specialists; only 2.2 percent of its staff and workers, and 26 percent of its specialists, are university graduates in their fields. In addition, the level of party and state cadres and management cadres is very low, with only 8 percent having reached university or other higher education level, and over 61 percent being of lower-middle school standard or below. Though there has been relatively speedy growth in Shanghai's higher education, it is unable to satisfy social needs in terms of quality or quantity, and without active reform and development, it will clearly be impossible to effect the strategic change from labor- and capital-intensive to knowledge- and technology-intensive industry in Shanghai's industrial pattern, changing it from a ratio of 4:4:1 to 1:1:1, and consequently impossible to turn Shanghai into a "major base area" and "trail blazer" of the four modernizations.

At present, a new wave of the technological revolution is rising all over the world. We must be clearly aware of the important status and role of

higher education in this revolution, grasp the moment, and throw ourselves into the reform, bringing about even greater growth in our higher education, to foster more able specialists with strategic foresight, general ability and independent creativity to meet the needs of the present reform and future growth of the economic structure.

The reform of higher education is a complex and wide-ranging one. The last few years have been exploratory reform in the fields of scientific research, logistics, and so on, which has achieved certain results and created a new atmosphere in Shanghai's institutes of higher education.

#### (1) Reform of the School Management System

Any sector, whether concerned with material production or the cultivation of talented people, must have a scientific and efficient management system. If the management of a higher education institute is scientific it is able to manage and utilize well people, funds, materials, and all its various resources, such that it uses relatively little labor, material, or financial resources to achieve relatively more results. In the past, we failed to take the management of these higher schools seriously enough, and there generally existed the phenomena of cumbersome organizations, stagnation, overstaffing, irrational teacher-pupil ratios, an unclear system of reward and punishment, and "all eating from the same big pot," all of which seriously affected the exploitation of initiative, restricted the healthy growth of talent, and produced bad results.

To tackle these problems, Shanghai's higher education institutes drew lessons from abroad and reformed the leadership management system. The Transport University was at the forefront of this reform. First, it readjusted the leading group in accordance with the requirements for the "four changes" in the cadre ranks, such that the average age of this group dropped nearly 10 years and 80 percent of its members were young or middle-aged cadres of university standard or above. In this way, the various reforms to be carried out in the school were given a strong organizational guarantee. Following on from this, they tackled the problem of overstaffing by allowing circulation of personnel and adjusting the pattern of employees. Over the last few years, they have transferred over 500 lecturers, cadres and workers from the university to elsewhere, at the same time selecting a group of outstanding graduates and postgraduates to stay on at the university. In addition, they have brought a considerable number of backbone teaching and scientific research personnel from other units, thereby taking the first steps to reforming the phenomenon of "inbreeding" whereby most of the university's lecturers were previous students, and making gratifying progress toward a situation which the pattern of employees is rational and people are used to be best of their ability. Those transferred from the university also made more use of their talents in their new posts. At the same time, the administrative structure was streamlined, using specific numbers of personnel for fixed jobs. The teacher-pupil ratio changed from 1:2.4 to 1:6, and the teaching staff-pupil ratio from 1:1 to 1:2.6. A "scale of teaching work" and a "responsibility system for cadres, staff, and workers" were drawn up,

making specific demands concerning the political, professional, and work attitudes of the teaching staff and workers, and giving everyone a clear idea of their labor criteria and goals; in addition, everyone was promptly assessed and their marks noted. They also amalgamated the labor, personnel, and distribution systems and reformed the wage system, experimenting with issuing subsidies and duty wages. These measures inspired and mobilized the enthusiasm and initiative of the staff and workers; whereas before, when everyone was "eating from the same big pot," jobs were passed back and forth, now that the responsibility system has been introduced people compete over tasks and struggle to finish their work goals as soon as possible. They also actively try to tap the potential of the university for scientific research, undertake research into economic construction, and actively develop technological services for foreign countries, turning the fruits of scientific research into direct forces of production; this not only strengthens the university's links with society, broadens the practical scope of scientific research, and promotes the raising of academic standards and the quality of teaching; it also increases the university's sources of income, and thereby hastens the renewal of the school's teaching equipment. They have resolutely carried out the division of management between the school, its departments, their offices, and their working groups, giving each level more autonomy, and combining responsibility, rights, and benefits, the Transport University's reform over the last 5 years has seen marked results, changing the whole appearance of the place and adding vitality, motivation, and pressure to all its work.

## (2) Reforming Old Specialties and Developing New Subjects

The various branches of learning form the basis of the teaching work of an institute of higher education; they reflect its academic level and scientific achievements, and represent the direction in which its teaching and research is developing. If these subjects are in line with the high tide of advanced science and technology in the world, the university will be able to produce outstanding talent. On the other hand, if the content of the courses is outdated, it will affect the enhancement of teaching and research standards. Therefore, the reform of old courses and the constant renewal and creation of new courses has important strategic significance.

With the rapid development of science and technology, people's knowledge of the objective world is steadily increasing and deepening, the various disciplines are constantly separating and combining, subject categories are increasing, many of the new subjects are a combination of art and science or science and engineering. In particular, research into information theory, cybernetics, and systemology [xi tong lun 4762 4827 6158] is becoming increasingly profound, and many new technologies are turning into new industries, further broadening the scope of academics. Institutes of higher education are watching developmental trends in advanced subjects even more closely, and are actively creating the conditions to be able to handle these new subjects as soon as possible, to prepare urgently needed personnel for the four modernizations.

Previously, while there was no shortage of different courses offered in Shanghai's higher education institutes, there was a lack of new courses, and none at all in some areas; many were out of date, and some had not been changed for 20 or 30 years; there were many specialized courses, but few general ones; and there was no close contact between the disciplines of the humanities, science, and engineering. In short, much attention was paid to in-depth study of particular subjects, but not enough to the lateral relationship between the various disciplines, such that students lacked breadth of knowledge, had low standards of Chinese and other languages, and lacked practical, active skills. In order to change this situation, over the last few years we have, in light of the needs of the four modernizations, gone further in our research of the developmental direction of different schools, along with the pattern of their special subjects and class schedules, and in a planned and gradual way have fostered and developed new subjects in line with the new technology and industries, working hard to develop a set of subjects closely linked with the national economy, and taking the first steps toward changing the imbalance between regular college courses and vocational courses, and between arts and science courses. At the same time, attention has been paid to developing the lateral links between courses, and the establishment of borderline courses proposed. For example, the Shanghai School of Science and Technology and the No 2 Medical College have set up a joint-run biomedical engineering course, while the Transport University and the No 1 Medical College have set up a joint-run course on biomedical instruments. Fudan University has given full play to the advantages of being a broad-based school and trodden the path of "inner integration" setting up a course combining technical science, applied mathematics, and economic science. Technical science closely links science and engineering, with emphasis on research and development in those new subjects arising in the four modernizations; applied mathematics combines math, computer sciences and management science, and embodies theory, models, computers, and software development; and economic science is mainly involved with fostering students in economic science research and economic management, and thereby utilizes all the economic subjects (political science, world economics, and economic management) in its teaching. This year, Fudan University also established a technical science institute encompassing the six disciplines of electrical engineering, computer science, bioengineering, materials science, lighting engineering, and applied physics. This combination of courses has marked advantages in terms of tackling key problems through interdepartmental research, building up marginal courses, and so on; it is therefore of benefit to important national research projects, and to the creation of a series of special subjects in urgent national need.

Top-grade teachers are indispensable both for the establishment of new courses of high standard and the cultivation of top-class graduates. The various colleges in Shanghai are at present making positive efforts to create the right conditions, and through methods such as sending teachers on refresher courses at home and abroad, teaching and research practice, old and middle-aged teachers helping their younger colleagues, and younger teachers participating in postgraduate study, the standard and quality of teachers is being raised.

### (3) Reforming the Isolationist System Which Separates Schools From Society

Higher education must be aimed at society and must serve the economy; this is the way forward for modernized education. It represents both an essential condition for the enhancement of the quality of teaching, and an important guarantee of the speedy development of science and technology. This new trend requires all schools of higher education to build a bridge linking them with society, and speedily establish a "combine of scientific research and production." Premier Zhao Ziyang has pointed out that "from now on, universities must on the basis of their teaching conditions and the orientation of their research link themselves with factories to form a fixed united body, or combine of teaching, scientific research, and production." This is the correct path for higher education to adapt to the new forms of economic development, and an objective requirement for educational reform.

Over the past 2 years, Shanghai's higher education schools have signed over 100 long-term cooperation agreements with units from Shanghai and outside. For instance, the Huadong Chemical Industry Institute has since 1983 taken on 9 key national research projects and 239 science and technology contracts, and has formed a series of combines and joint-run factories with certain departments or units from 12 prefectures from Shanghai, Shandong, Jiangsu, and Jilin; the scope of these combines has become increasingly broad, and embraces such aspects as the stipulation of scale, the cultivation of personnel, the tackling of key problems, the transferral of research results, technical services and consultation, technical and academic exchange, and mutual use of testing equipment. Numerous facts go to show that the formation of combines between higher education schools and production departments, middle-sized and small cities, and prefectures benefits the transfer of the results of scientific research from the schools to the production departments, creating wealth for society, and plays a marked role in promoting the economic development of these production departments and regions; it has also been proved to be of benefit to the improvement of research standards in the schools in the process of solving the various difficult problems arising in economic construction; and to the enrichment of teaching content, the enhancement of educational quality, and the cultivation of people, who both understand theory and excell at problem solving; lastly, it is of benefit in promoting the constant change and expansion of the universities' substance (including tasks and functions).

### (4) Running Higher Education in Many Forms, at Many Levels, and on Many Scales

With the growth of the four modernizations drive, there has formed an urgent need for able people to work in all the various sectors, and young people everywhere have a much stronger desire for education than before. But at present we have a very weak base in education, and cannot possibly find enough money to develop higher education. Under these conditions, we must think of every possible way to open up new roads to hasten the development of higher education. One such path is to run schools in many forms.

Over the past few years, at the same time as developing full-time higher education schools, we have been actively developing higher education self-study exams (to date, over 47,000 people have gained single honors graduation certificates in this manner). We have also been entrusted by the provinces of Yunnan, Ningxia, Fujian, Anhui, Jiangsu, Guangdong, Gansu, and Tianjin to train over 1,000 people, thus opening the road for qualified people to go to the countryside and to outside areas. In addition, we are actively developing continuing education, and improving training for professionals at work; apart from establishing institutes for administrative cadres and refresher night schools, we are encouraging and supporting full-time universities, factories and enterprise departments which run refreshed classes or other sorts of specialist classes.

Shanghai is also concentrating on mobilizing the initiative to run schools, and encouraging various departments, systems, and other social forces to run universities wherever the conditions to do so exist. At present, Shanghai's local industrial bureaus and large enterprises are all running universities, while all the outlying counties have also set up branches of the Electronics University. The municipality has also made great efforts to develop fee-paying day universities, which to date have a total of more than 25,000 pupils enrolled. The newly established Shanghai University is a fee-paying day school which does not guarantee work assignment after graduation, and concentrates on fostering practical specialists whose skills are urgently needed in society; in this they have gained marked results, and met with universal welcome in society.

The road to educational investment must be broadened. Since the economic reform and the increased autonomy of certain enterprises and departments, many units have not only the strength but the enthusiasm to carry out intellectual investment. The Shanghai Oil and Chemical Industry Factory spent its own money on setting up and running a school. Over the whole municipality, a total of over 30 million yuan has been invested by commercial and industrial departments in education. Certain counties have also set up committees for intellectual investment which have over the past 3 years invested a total of over 16 million yuan.

The reform of higher education is both arduous and complex. During the reform, we have come up against many obstacles and problems arising from both "leftist" hangovers and old habits, in addition to real, objective difficulties. We have kept firmly in mind the Central Committee's leading thought on the reform, and have all along paid attention to raising the quality of higher education, putting this and the promotion of the pupils' moral, intellectual, and physical education to the fore, quickly and efficiently producing all sorts of qualified specialists able to meet the needs of the modernization drive.

There is no ready-made road which the higher education reform can take; it must proceed through exploration. This requires us in turn to be both enthusiastic and courageous; at the same time, we must maintain a cool head, go deep into the facts, conduct examination and research, come to understand

problems, suit measures to local conditions and break through the old to create the new in a controlled, measured way, so that we do not merely copy the model of other countries but instead introduce the merits of other education systems, supplementing our weak points with others' strengths and forging a new path of socialist higher education with Chinese characteristics. When faults occur in the reform we should neither be overcritical nor over-cautious; our main task is to sum up lessons, continue to progress, give careful consideration to all aspects and problems, think more about difficulties, be more careful about measures, and do our best to minimize mistakes.

In the reform of higher education schools, intellectuals represent the main forces. If the reform is to be carried out, it is essential that they be trusted and resolutely relied upon; we must be determined to carry out the central policy on intellectuals, and must take care of them in the fields of politics, ideology, work, and life. We must care for and help them, and fully exploit their role. We must be good at correctly uniting the intentions and measures of the reform with the desires and demands of the intellectuals. This is an important guarantee of the reform's success.

CSO: 4004/83

USEFUL EXPLORATION IN DEVELOPING INTRODUCTORY HISTORIOGRAPHY--REVIEW OF  
'INTRODUCTION TO THE SCIENCE OF HISTORY' AND 'INTRODUCTION TO HISTORIOGRAPHY'

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 38-41

[Article by Jiang Dachun [5592 1129 2797]]

[Text] "Introduction to the Science of History," edited by Comrades Ge Maochun and Xie Benshu, and "Introduction to Historiography," edited by Comrade Bai Shouyi, were published by the Shandong Educational Publishers and the Ningxia People's Publishing House respectively. The publication of these two theoretical works on historiography shows that the subject of Marxist historical science in our country has already passed from preliminary discussion to a process of becoming a concrete reality.

The authors of the two works are acutely aware of the significance and role of historiography in promoting the construction of our historiography ranks and the development of historical science, and have done much painstaking research on the subject. "Introduction to the Science of History" concentrates mainly on introducing the theory, methods, and general knowledge of historical science. It first discusses the use of the basic principles of historical materialism to research and analyze basic historical facts, and then goes on to stress the combination of history and theory, introducing the relevant documents and historical materials, and finally giving a brief introduction to the development of historiography in China, Europe, and the United States. "Introduction to Historiography," on the other hand, stresses the different tasks of historiography, historical materialism, the historical method of research, and history. It gives a brief discussion of the important issues raised in the development of historiography, and its achievements, including the conception of history, historical documents, historical anthologies and historical literature, the relationship between historiography and other subjects; it goes on to introduce the achievements of modern Chinese historiography and Marxist historiography, finally pointing out the important tasks facing historiography work in today's China. Obviously, there are differences between the basic models provided as outlines of historiography. But from the point of view of building up the subject of historiography they should both be thoroughly affirmed as pioneering works. On the basis of research drawn from other historiographers past and present, the authors have done hard and valuable work to build up this subject, and have achieved gratifying results.

First, they discuss the guiding significance in historical research of historical materialism, the only scientific historical viewpoint. Both books point out that people's historical conception is constantly progressing. Even before Marx there were a small number of philosophers and historians who, when examining concrete historical events and figures, gave explanations which displayed materialist elements. But in general, the idealist conception of history maintained a dominant status for a long time; there were various reasons for this. When historical conditions were ripe, the Marxist materialist conception of history was produced. It expounded a whole series of basic questions in human society, and formed a theoretical framework for historiography, bringing about a fundamental change in the subject, and turning it into a science. Both books stress that historical materialism must be used correctly and creatively in historical research.

Second, both books demonstrate the status and role of historical data in historical science, and give an introduction to the collection, differentiation, collation, and verification of historical documents and concrete data, along with other specific knowledge used in historical science. They stress that one must oppose both the dogmatic trend of looking down on historical data and divorcing oneself from historical facts, and the mistaken concept that historical data equals historiography.

Third, they reveal the important characteristics of historical science in knowledge. "Introduction to the Science of History" discusses the characteristics of historical science as an object of perception; one such characteristic is that it is only possible to conduct research on the basis of various remains and subjective historical records left over by history; the second is that history, as an object of research, is made up of the activities of people of thought, and therefore displays strong distinctiveness and chance. This in turn requires historical science to possess the correct methods to grasp its subject. The authors further point out that historical science, as a reflection of the historical process, must reflect on the one hand the regularity of historical development, and on the other hand the background of specific realities in its development. To this end, thinking in historical science must be a combined process of logical thought, thinking in terms of images, and intuition. On examining historical knowledge, the authors consider that the question of whether historical knowledge is true or false may be examined in today's society; it may be examined through historical data; and it may be examined in different areas and national systems. The authors stress that history can be known, and examined in social practice. This sort of examination is almost limitless, and can add to the body of historical knowledge through generation after generation of practice, such that this knowledge deepens constantly. Though these postulations merit further discussion, they are certainly inspiring.

Fourth, they expound the importance of carrying on the legacy of historical science and its relationship to bringing forth new ideas in historical science. "Introduction to Historiography" says more on this subject. The authors point out that the legacy of historical science is one of the many legacies of history, and there is an intimate connection between research

into this legacy and that into the legacy of the whole of history. For those working in the field of historiography, neither of the two types of research should be emphasized to the neglect of the other, and we must pay particular attention to researching the legacy of historical science, criticizing and summing it up under the guidance of Marxism. The main point of this book is precisely the summing up of all the achievements of China's historiographical legacy, including the aspects of historical concepts, the collation of historical documents, the writing of historical records and literature, and so on. It further points out the relationship between inheriting this legacy and creating new ideas. For example, the authors, having given an introduction to the "chronicle" style of ancient Chinese historical records, go on to point out that when we produce history books now we should build on and develop this style. Not only should we pay attention to the changes over historical eras, common geographical concepts, different names for the same place and the same names for different places, changes in the jurisdiction over the same areas, the use of historical maps, and so on, but should also take into consideration the geographical environment as the natural conditions for historical development; this in turn requires more of us than in ancient times. Again, in assessing the various types of ancient Chinese literature, the authors point out that "when we look at the rich legacy of different literary forms used in China's ancient historical science, and at the links and common points between them, we should gain inspiration from them when writing new history books, and should consider broadly how to research deeply into and continue the fine traditions of our country in this respect; we should carry out reform in this field, and produce works in line with our era." (p 137) "Introduction to Historiography," in its summing up of the legacy of historical science and its discussion of its relationship with new ideas, demonstrates the authors' strengths in this field, and offers inspiration for us today.

Fifth, both books stress the breadth of historical science, and expound on the relationship between the subject and its sister subjects. They demand that those working in the field of historical science cultivate all aspects including morals, ability, and knowledge, so as to open up new fields, and constantly raise the standard of historiography.

In brief, these two books have both made explorations beneficial to the establishment of a Marxist historiography course, and in this have achieved many results. But we cannot yet say that the publication of these books means that the Marxist theoretical system concerning historiography in our country has been entirely clarified and explained, or that the introductory course to historical science has been entirely established. Because there remain many questions, and even some key questions, which are still in the process of being researched, and need further work on our part.

The first question concerns the object and scope of basic historical science. "Introduction to the Science of History" sometimes takes as its object of research the process of the development of objective history, but sometimes historical science itself, and finally the specific development of historical science in China and abroad. This leads one to feel that the authors have not quite grasped what it is they are to research into, and therefore

it is difficult to differentiate this book from the subjects of historical materialism and the history of historiography. "Introduction to Historiography" considers that one must differentiate this subject from historical materialism, historical research as the important questions and answers raised in the development of historiography, and the important tasks facing historiography today. This can be said to be a reasonable approach. But does it entirely solve the problem of the object of research of introductory historical science? This would be worth further exploration. There is one point which can be affirmed, which is that introductory historical science should not take as its object of research the objective historical development of mankind, because this is the object of historiography itself. Introductory historical science is also different from historical materialist philosophy, which researches the most general laws of mankind's social development, in that it ought to take as its object of research historical science itself, which in turn researches history. But historical science can also conduct research from a number of angles. The history of historiography researches and describes the actual developmental process of historiography in chronological order. The theoretical summing up of the development of ancient historiography can also be said to be a type of introductory historical science. But the introduction to historical science most urgently needed at the moment is one which takes as the object of its research Marxist historiography, that is to say the historical science produced after the creation of the historical materialist viewpoint. This subject must obviously be explored in close association with previous developments in historiography. It is different also from a Marxist history of historiography, which consists of concrete research into and description of the actual developmental process of historical science, but should be combined with Marxism-Leninism-Mao Zedong Thought and the facts of historical science, forming a system with the Marxist theories and methods regarding historical science. My understanding is not necessarily correct. But one thing is in no doubt whatsoever; the correct definition of its object of research is the key to the successful construction of the new subject of introductory historiography, because this definition is the necessary prerequisite for defining the scope of research.

Second, as the key question of the object of research of introductory historiography is gradually solved in discussion, there develops a need for deeper research into certain basic questions concerning the object of research, that is, historical science itself. These questions include the object of research of historical science, the interrelationship between the basic functions of historical science in completing its own tasks and those of society, and the basic characteristics of historical science. Certain of the above questions are not even touched on in the two books; some are raised, but not discussed; some, as we have already discussed, do not necessarily fall into the scope of historical science outlines; some, meanwhile, though they are part of such a scope, need further discussion.

There is also a question of consciousness to be solved in the development of historiography theory and the construction of introductory historical science. Some comrades are of the opinion that though introductory historical science is important, it by no means constitutes a branch of learning.

Moreover, many comrades lump together any historical theory article, theoretical historical criticism, or discussion of historical materialism, and call them all introductory historiography, as if the latter is a limitless subject. In fact, however, introductory historical science should be a special subject with its own particular object and scope of research. A "special subject" refers to the independent study of a specified research topic, with its own materials and to a certain depth. These comrades have failed to realize that though introductory historical science has not yet formed into a special subject, it will be bound to become such a specialty with a particular status as part of the whole topic of historical science once the object and depth of its research have been defined more clearly. Another reason for ignoring introductory historical science is born of prejudice. Some comrades believe that only historical essays which take as their object of research a particular period of objective historical development may be called genuine works of historical research. Introductory historical science, meanwhile, in its discussion of what and how to research in historical science, and so on, is nothing more than empty theory. This attitude is difficult to agree with. Surely it cannot be said that the "Shitong" [0670 6639] by Liu Zhiji and the "Wenshi Tongyi" [2429 0670 6639 5030] by Zhang Xuecheng, written in ancient times, were not special studies? Again, in the sphere of literature, surely literary theory and criticism, which takes literary works as its object of research, and discusses their nature and how they reflect life, must be said to be a specialist subject? Can it really be called nothing but empty theorizing? It is obviously necessary to take objective historical processes as the object of research; this is the basic task of historical science. It is equally necessary to take historical-scientific research and its products as an object of research, however, and this type of research is extremely necessary to the development of historical science itself. Comrade Deng Xiaoping pointed out: "Those comrades involved in theoretical work must make considerable efforts to expound the system of Mao Zedong Thought in all the various spheres...to lead us forward." ("Selected Works of Deng Xiaoping," p 41) The construction of the subject of introductory historical science in keeping with this spirit consists of combining with the facts of historical science and expounding the Marxist-Leninist-Mao Zedong Thought theoretical system regarding historical science.

If we count from the time of the practice of historical science by Marx and Engels, then Marxist historical science has a history of over 100 years. In China, if we count from the time of the historiography of Li Dazhao and Guo Moruo, it has a history of over half a century. In the process of its development, Marxist historiography has accumulated a considerable store of experience, and has learned many lessons. Since the 3d Plenary Session of the 11th CPC Central Committee, the ideological line of seeking truth from facts has been restored and taken a step further. Hence we have both a strong basis in empiricism, and the necessary social conditions for a theoretical summing up of historical science and the creation of an introductory historical science course. The present state of development in our era and the historical experiences we have gathered means that when we look back at history and its science our knowledge is a little deeper. Though there are still many unknowns in the sphere of introductory historical science, the task of science is precisely to explore such unknowns. And surely the exploration of unknowns should excite the interest of those with noble aspirations!

AN IMPORTANT CORRECTION ON A PASSAGE OF THE TRANSLATION OF LENIN ON  
LITERATURE AND ART

Beijing RED FLAG in Chinese No 13, 1 Jul 84 p 41

[Article by Ke Wen [4430 2429]]

[Text] Recently, an important correction was made to the translation of Lenin's discussion with Chatejin on the subject of literature and art. In "Lenin on Literature and Art" published by the People's Publishing House in 1960, the passages were originally translated as follows: "Every person who is or wants to be an artist has the right to create freely, independently, and autonomously according to his own ideal." "But naturally we are Communist Party members. We cannot possibly stand by unconcerned as a chaotic situation develops. We must lead this process of development in an entirely planned manner, forming its results." The translation used in the 1983 version of the same book reads as follows: "Every person who is or hopes to become an artist may have the right to create freely according to his ideal, whether the result of this ideal is good or bad. In this way you come up against excitement, experimentation, and chaos." "But naturally we are Communist Party members. We cannot possibly do nothing, and sit back unconcerned while chaos spreads. We must consciously work hard to lead this development, forming and deciding its results." This correction to the translation is highly important, because it is more in keeping with what Lenin really meant.

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## SPEED UP REGULARIZATION OF THEORETICAL EDUCATION FOR CADRES

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 42-44

[Article by Li Fu [3810 1133]]

[Text] Recently, the CPC Central Propaganda Department has, on the basis of the spirit of the relevant directives from the central authorities, drawn up stipulations concerning the regularization of Marxist-Leninist theoretical education for cadres and has demanded that, as of the second half of this year until 1990, all regions should carry out regularized Marxist-Leninist training for all cadres with a junior secondary education or higher, who have not systematically studied the theories of Marx and Lenin. In this way the political qualities of the cadres will be improved and the four modernizations construction program will be promoted. This is the first time since the founding of new China that there has been a clear call for the regularization of theoretical education for cadres. It signifies the fact that theoretical education for cadres in China has entered a new phase.

Simply put, the regularization of theoretical education for cadres implies ensuring that cadres systematically study the fundamental principles of Marxism-Leninism. There are clear requirements and standards for the level and extent of such study, and a strict examination and testing system is being set up.

The fundamental principles of Marxism-Leninism are something that all cadres must study. However, the content and extent of such studies must be based on the actual situations of the various kinds of cadres, and hence there will be differing demands and there should be no single cuts of the knife. Three grades can be drawn up on the basis of cadres' differing educational levels and quality of work in the various battlefronts. These three grades are A, B, and C. Leading cadres at county level or above who have senior middle school educations, as well as political work cadres in bodies and work units at the county level or above, and specialized personnel carrying out ideological work, should participate in grade A studies where the standard of study is equivalent to general politics classes in some university liberal arts departments. Scientific and technological cadres and management and administrative cadres should participate in grade B studies, in which the standard of study is equivalent to general political classes in some

university engineering departments. Cadres with educations above junior secondary level but below senior middle school should take part in grade C studies, where standards are those of politics classes in senior middle school. Cadres who complete grade C studies should go on to grade A or B studies. Those cadres who complete grade A or B studies, especially leading cadres at county level or above, should continue to study Marxist-Leninist theories, so as to improve their standards of political leadership. The length of study should be from 1.5 to 2 months and unified arrangements for study should be made according to the stipulations that each cadre should devote 6 months out of every 3 years to study. After each cadre has completed the stipulated study course, he or she must undergo strict examinations and checks. Those that pass these tests will receive certificates of completion. Those who are in a position to do so may take part in higher education self-study examinations and thus receive certificates for specialized study courses. Success in theoretical studies, especially success in self-study examinations will be recorded and used as an important basis for the selection and utilization of cadres. The methods of training cadres in theoretical education vary greatly, and in addition to party schools, cadre schools, and schools and institutes of higher education, it is important to mainly rely on socially organized schools and thus achieve regularization through diversified forms. Whatever method of training is used, they must all preserve quality. The above-mentioned stipulations have made strict demands on and pointed out a clear and hard road for those cadres who have not systematically studied the theories of Marx and Lenin and they will help overcome shortcomings which have existed for many years such as uncertainty about the demands of study, lax checking, and repetitious study. They will also help improve the cadres' enthusiasm and consciousness about the study of theory. At the same time it will also ensure that leadership at all levels of the party committee is truly improved, that there is unified organization, that problems are overcome and that a new situation in theoretical education for cadres is opened up.

One of the fundamental tasks of our party is to steadfastly implement education for cadres in Marxist-Leninist theories. This is particularly important in this new period of history in which we are carrying out the modernization program. In carrying out the modernization program, we have no completed experiences to follow and adhere to and we cannot simply borrow any foreign model and make use of it. The only thing to do is to rely on the integration of the universal principles of Marxism and the reality of China and follow our own road, opening up a socialist road with Chinese characteristics. This requires that the mass of cadres improve their theoretical levels and grasp Marxist stands, viewpoints, and methods, researching new situations, and solving new problems. Naturally in order to ensure that the reforms to the economic system that we are not implementing are done well, and that further implementation of the open-door policy and party rectification are also well organized, we must not deviate from the guidance of Marxism-Leninism. The new technological revolution which is emerging throughout the world is not only throwing up new technological questions, it is also throwing up many new political, economic, and social questions. Western bourgeois scholars have seized the opportunity to boast that they have found the panacea for all the ills of capitalism, as if

capitalism has been saved and Marxism is now out of date. Only by upholding Marxist-Leninist views can we make a scientific analysis of and provide answers to these new questions and only then can we help those few cadres who lack theoretical training to overcome their ideological wavering and confusion. However the long-term influence of past "leftist" errors, in particular the destruction during the 10 years of social chaos, have meant that education for cadres in theoretical Marxism has been severely distorted and thus even today there are vast numbers of cadres who lack any systematic knowledge of the fundamental principles of Marxism. A lack of theoretical knowledge and theoretical training means that one cannot successfully grasp the Marxist stand, views, and methods and hence it is thus easy to sink into passivity in the face of quickly changing and developing new trends. Thus constant improvements to Marxist-Leninist theoretical education for cadres allows those who have not systematically studied this area to catch up and allows those who have systematically studied this area to refresh and renew their knowledge. This has thus become a task of strategic importance facing us today. In accordance with the stipulations relating to the theoretical education of cadres, we should organize cadres to carry out hard rather than lax and systematic rather than piecemeal study and to thoroughly understand the fundamental principles of Marxism-Leninism and its stands, views, and methods and to thus establish a communist world view; to correctly understand the characteristics of the socialist society, to grasp the objective laws of socialist construction and to fundamentally intensify their understanding of the lines, principles, and policies of the party. This represents a fundamental guarantee for the victorious implementation of the modernization program.

Integrating theory and reality is a basic principle of theoretical education. After the regularization of theoretical education for cadres, we must still uphold this principle. In order to grasp systematic theoretical knowledge, we must encourage studious book study and we must encourage the integration of several areas of theory with study of some of the famous works of Marx and Lenin, so that cadres may have a more complete and accurate understanding of the fundamental principles of Marxism and so that they may grasp their essential spirit. At the same time cadres must, during their study, pay attention to linking theory and reality and they must also focus on assessing historical experiences and investigative research, using the principles and views of Marxism-Leninism to clarify present problems, working hard to change the subjective world and the objective world. Some comrades fear that the regularization of theoretical education for cadres and the stressing of systematic book study might engender dogmatism. In reality, reading a lot of books does not necessarily lead to dogmatism. The emergence of dogmatism occurs when one is only able to repeat words from a book and does not understand the essential spirit of the theories in the book, when one cannot apply or cannot accurately apply these theories to reality or when one makes erroneous estimations of reality. In other words it is when one cannot accurately implement the theory of linking theory and reality. In educating cadres previously, problems of dogmatism emerged in the sense that there was a division between the study and use of theory and reality. In order to correct these problems the CPC Central Committee drew up special regulations in

1941 concerning the Yanan Cadre School, which stressed that theoretical education for cadres "must wholly concentrate on ensuring that the student studies everything, from understanding the essence of Marxism-Leninism to making a concrete application of this essence in the Chinese environment. The student's correct understanding is measured by his skill at application." It also went on to say that in order to overcome dogmatism "in addition to correctly teaching the theories of Marx and Lenin, it is important that education concerning Chinese history, the situation in China, the history of the party, and the policies of the party be simultaneously stepped up so that the student learns both theory and reality and positively links the two together." These experiences are still worthy of our attention today. Among the stipulations of the Central Propaganda Department, "fundamental questions of the Chinese revolution and construction" are compulsory topics of study for grade A and grade B study (until the study outline and teaching materials for this topic are completed, the history of Chinese revolution should be studied). It must be stressed that students should learn to competently utilize the fundamental principles, positions, views, and methods of Marxism, and improve their capacity for analysis and solving problems. It is stressed that all cadres, apart from those systematically following study courses in Marxist-Leninist theories, must also have regular political study classes. All of these stipulations are to ensure a good link between theory and reality. In the study of theory we must oppose slackness in reading and the tendency not to grasp theoretical knowledge systematically. Only by doing things this way will the problems of dogmatism not appear and will theoretical study provide us with favorable results.

The regularization of theoretical study for cadres corresponds to the demands of the modernization program and corresponds to the present reforms of the economic system, the open-door policy, and party rectification. These major reforms in cadre education are of deep and lasting significance. However, this work has only just begun. In the process of regularization, we are likely to come up against many problems which will require solutions. Party committees, propaganda department, and theoretical workers at all levels must fully appreciate the enormous responsibility which they carry and must carry through these reforms to the end. In the process of the reforms we must suit measures to local conditions and needs. We must be brave in our innovations and we must seek truth from facts. The fundamental demands of regularization are unified. As far as the concrete methods are concerned, every region and every work unit can and indeed should integrate and assess its own situation, and probe and create. We cannot force everyone to act the same. For example, should classes be arranged singly or in groups? Are centralized or decentralized training classes best? Should examinations be unified self-study examinations or should they be self-study exams and end of study exams? All of these questions should be answered by starting out from reality and new experiences should be undergone. We must constantly assess new experiences and research new problems, probing gradually for a form of theoretical education for cadres which suits the situation in China and which will ensure that by 1990 the basic tasks of such training will be completed, so that the political qualities of the cadre ranks are improved and so that the development of the modernization program is stimulated.

## TO READERS

Beijing RED FLAG in Chinese No 13, 1 Jul 84 p 44

[Article by editors; passages within slantlines published in boldface]

[Text] Since this magazine launched its column "Theoretical Study for Cadres," the column has centered mainly on the major subjects of political and theoretical study organized by the Central Committee Propaganda Department, such as the report on the 12th National CPC Congress, the important documents since the 3d Plenary Session of the 11th CPC Central Committee, the "Selected Works of Deng Xiaoping," and so on, for which the column has produced relatively systematic guidance. This work shall continue in the future.

In line with the new ruling by the Central Committee Propaganda Department concerning the theoretical education of cadres, theoretical study shall henceforth gradually become more regular. Due to the great disparity between areas in the study schedule for several basic theory courses, we have published some study guidance materials over the last few years to suit the requirements of cadres carrying out self-study. Therefore, the column is not planning to present systematic guidance on these basic study courses. Given the fact that certain provincial and municipal cadres will be spending more time on economic theory and philosophy over the next 6 months, we plan to place the most emphasis on two particular topics: /"construction and reform of the socialist economy"/ and /"study Marxist philosophy, master the scientific method of thinking"/. We will publish certain articles to aid study on these topics, for the reference of our readers. At the same time, we plan to provide answers to certain questions arising from the study of these topics.

We warmly welcome all comrades studying theory, involved in theoretical education and propaganda, or working in party schools, cadre schools, and lecture groups to write for the column on their special studies. They may write about their experiences in linking theory with practice, or teaching and learning, and we will print the most outstanding of these. At the same time, we hope that readers will promptly send questions to us arising from their studies, so as to enable us to pick out the most common ones to answer in the column.

With the help of our readers, we are willing to make utmost efforts to make efforts to make the column into a vehicle for the study of Marxist theory, the exchange of study experiences, and the exploration of certain difficult questions arising from this study, on which subjects the column will print opinions and proposals.

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## RED FLAG ANSWERS READERS' QUESTIONS

Beijing RED FLAG in Chinese No 13, 1 Jul 84 pp 45-48

[Text] Why Is It Necessary To Have 'No Ceiling and No Floor' for Bonuses of Workers and Staff Members?

(Answer by Min Tong [7036 0681])

In his "Government Work Report" delivered at the Second Session of the Sixth National People's Congress, Premier Zhao Ziyang pointed out that the method of "no ceiling and no floor" should be used with regard to staff and worker bonuses, a method which would play a positive role in thoroughly changing the situation in which it did not matter whether an enterprise's management or the performance of its staff and workers was good or bad, and in solving the problem of the two "big pots."

What is meant by "no ceiling and no floor" in bonuses is that enterprises are given the right to use incentive funds. With the prerequisite of carrying out the whole of the state plan and increasing its tax contributions, an enterprise may then give its workers and staff more bonuses, which will not be subject to quotas. Incentive funds may be used in the issuance of bonuses, floating wages, or wages for above-quota piecework; they may also be used to reform the wage system and conduct a floating promotion system within the enterprise. If the enterprise fails to accomplish the state plan and cuts its tax contributions, it must cut back on or eliminate all bonuses, and deduct a part of the basic wages where necessary. The enterprise may only issue bonuses from the incentive funds, and must resolutely uphold the principle of raising money before using it. It must not use production development funds, funds for the trial manufacture of new products, welfare funds, or reserve funds. The "no ceiling and no floor" method is in accordance with the socialist principle of "to each according to his work." It creates a genuine link between worker-staff wages and the performance of an enterprise and its employees' contributions. The more you work the more you receive, and if you fail to work, you receive nothing.

Since China restored the incentive system in 1978, bonuses have always been issued on the "fixed ceiling and floor" basis; bonuses could not exceed a set amount, so that even if an enterprise's profits rose, bonuses could not exceed the amount stipulated by the competent department. By the same token, if an enterprise's economic results were so poor that it failed to

make a profit or even made a loss, it would do everything it could to give its workers a bonus anyway. Previously, the "fixed ceiling" on bonuses was dictated by objective conditions. The main reason was that state-enterprise distribution relations had not yet stabilized and the enterprises' economic responsibility to the state was nuclear, meaning that, in effect, the enterprises were eating from the state's "big pot." This, added to the abiding influence of the decade of turmoil, meant that many basic management systems within enterprises were lacking, and the standard of management among enterprises was generally low. Under these conditions, had there been no "fixed ceiling" on bonuses, the reckless issue of bonuses would have easily occurred, affecting the national income. In addition, due to the irrational prices of products, the difference in resources and equipment between enterprises, and the effect of other objective factors, there was a massive difference between the profit levels of enterprises, such that the amount of profit gained by a certain enterprise was not necessarily a true reflection of the performance of its management, staff, and workers. At this time, had bonuses been changed according to the changes in an enterprise's profit level, with no appropriate controls, it would have been irrational, and would moreover have produced effects worse than those of the "fixed ceiling" method. Therefore, there was no alternative but to adopt this method.

The present adoption of the "no ceiling and no floor" method is a result of changed conditions. From the latter half of 1983, China began to take the first step in the substitution of taxes for the delivery of profits (consisting of the coexistence of both taxes and profit delivery). This year, we will go on to the second step (that is, full substitution of taxes for profit delivery), thereby beginning to stabilize the distribution relations between enterprises and the state under a system of law and clarifying the economic responsibility of enterprises to the state. Thus we form an economic entity in which duties, rights, and benefits are united, a relative degree of independence is maintained, and the enterprise no longer eats from the state's "big pot." If an enterprise wishes to issue more bonuses to its employees, it has no choice but to work hard to exploit its own potential to increase income and enhance economic results. It cannot secure more money from the state's coffers, and it is this fact that has created the conditions for eliminating the "fixed ceiling" for bonuses. At the same time, the second step of the substitution of tax for profit delivery will involve the collection of commodity tax. The fixing of a rational commodity tax rate will mean that the massive difference in profit levels between various industries and products due to the effect of such objective factors as price differences in commodities will be appropriately ameliorated. In addition, we will add a resource tax and increase direct taxation. In this way the method of "no ceiling" on bonuses will be relatively rational.

Certain conditions are necessary for the implementation of the "no ceiling" policy on bonuses. Under present conditions, in which the second step of the substitution of taxes for the delivery of profits has not yet been completed, the "no ceiling" policy is only suitable for pilot schemes in those enterprises that have undergone thorough rectification, strengthened their

leading groups, perfected their economic responsibility system, strengthened their basic management work, and achieved relatively normal production. Once experience has been gained in these pilot schemes, the policy will be introduced everywhere in conjunction with the second step of the substitution of taxes for profit delivery.

After the elimination of "fixed ceilings" in bonuses, a bonus tax will be exacted. This is a necessity under the principle of "first eat, then construct." We must handle the relations between accumulation and consumption, and to do so we must guarantee that both increase in a planned and proportional way. We must not allow the increase in consumption funds to get out of control. Staff and worker bonuses, meanwhile, are an important integral part of consumption funds, and if they are issued in an uncontrolled way, we will lose control over the increase in consumption funds, which will inevitably create inflation and economic chaos. The exaction of a bonus tax is one of the effective means of controlling an increase in consumption funds and regulating the issuance of bonuses. Bonus funds are not collected from individual staff members and workers, but are handed over by enterprises from their bonus funds. The more bonuses are handed out, the higher the tax rate. For enterprises and workers, this method of progressive taxation acts as both pressure and motivation. It can push enterprises to think of all possible ways to increase their economic results and thereby raise their income, and to increase bonuses for their employees on the basis of this increase, thus "making the boat rise with the water."

Will the Nature of Ownership by the Whole People of Small State-Run Enterprises Be Changed When They Are Run by Individuals on a Contract Basis?

(Answer by Zheng Haihang [6774 3189 5300])

In order correctly to handle the relations between the state and enterprises, China carries out different forms of the management responsibility system in different enterprises. One of these is the system of state ownership with individual management on a contract basis, a system which is carried out in certain small state-run enterprises.

Will the fact that individuals run them on a contract basis change the nature of the ownership of these enterprises? We say no. This is because when a state-run enterprise contracts out its management to an individual, what it is changing is the management rights, not the ownership rights. These two rights represent two different concepts. Management rights represent the right to manage and use the means of production, while only ownership rights represent the possession of the means of production, or to whom these means of production belong. There is a connection between management and ownership rights, but they can also be separated. Ownership rights determine management rights of the means of production. The phenomenon of the separation of management and ownership rights already exists in the capitalist world. There, an enterprise may belong to a capitalist, but the said capitalist often hands this enterprise over to an agent to run. In our socialist state, we can also transfer the management

rights of certain small enterprises to a "contractor," which cannot possibly change the enterprise's publicly owned status. In this area, the countryside has provided a lot of fine precedents already. The contracting of management with the household as the basic unit has by no means changed the socialist system of collective ownership in the countryside.

The statement that the fact that an individual contracts for the management of an enterprise by no means affects the state's ownership rights may be verified mainly by the following: 1) An individual contract of this kind must be authorized by the state, and a contract must be drawn up and signed, clearly stipulating the responsibilities, rights, and duties of the contractor; 2) once the contract expires, the state has the right to retrieve management rights over the enterprise, to extend the period of the contract, or to change to another contractor; 3) the contractor is wholly responsible for the means of production of the enterprise and cannot sell them of his own accord, and income from sales authorized by the state cannot be embezzled by the contractor himself.

Once an individual has signed such a management contract, can the contractor treat the enterprise's workers as a capitalist or his manager would, changing interpersonal relations within the enterprise? In general, no. In an enterprise run on a contract basis by an individual, the contractor, while exercising his management rights, must be subject to supervision both from above and below, both from the party and the state and from the enterprise's staff and workers. Within the enterprise, the party organization must guarantee the implementation of the party's principles and policies. In addition, with the deepening of the economic system reform, the democratic management and supervision of the staff and workers' congresses must be greatly strengthened, and small enterprises run by individuals can be no exception. At the same time, the rights of the individual contractor are not limitless. The contract signed clearly stipulates both the rights and benefits of the contractor, with particular attention to the important question of the personal rights of staff and workers, which, according to the stipulations, means that everything must be discussed with the staff and workers' congress so as to guarantee their rights as masters. If an individual contractor abuses the rights of his employees, acting as he pleases, embezzling state funds, or exploiting or oppressing the workers, he is subject to resistance from the workers and punishment under state law.

How Should We Look Upon the Question of Transferring Land Contracts?

(Answer by Zheng Youyun [6774 1635 0061])

Transferring land contracts refers to a situation where for various reasons peasant households are unable or unwilling to work the land they have contracted from the collective, and therefore hand all or part of it over to others to farm. This transfer may be effected either by transferral to the collective first, which carries out unified arrangements for further transfer, or with the collective's approval, by the household concerned finding someone willing to farm the land, whereupon both parties arrange the transfer directly; but the substance of the original contract signed with the collective must not be altered by either party.

Why should the transfer of land contracts occur? When implementing the contract responsibility system, in the majority of areas contracted land was distributed according to population or a population-labor ratio. With the broadening of rural policy, the development of specialized households, the high tide of enthusiasm for production among the peasants, the enhancement of labor productivity, and the natural changes in population and labor force, the following new situation occurred: Certain contracting households, due to an insufficient labor force or lack of a labor force, were unable to manage the contracted land, while some became involved in other specialized types of production and had no time to farm their contracted land. On the other hand, some contracting households had too much labor power and a lot of farming experience, but not enough land, causing their labor power to be idle. These formed the objective reasons for transferring land contracts. Such transfers may both enable more rational use of labor and land resources in the countryside, and benefit the gradual concentration of land in the hands of able farmers. This is an objective requirement of the trend toward a division of labor and commodity production in the countryside, and can at the same time further promote the development of the countryside toward specialization and commodity production.

Should certain compensation be paid upon transfer of a land contract? At present when such contracts are transferred, there is sometimes compensation and sometimes no compensation, though more often the former. It may be asked, since the land belongs to the collective, why should the household receiving the contract pay the household transferring it? This is largely for the following two reasons: First, compensation for the rights to land usage. Since the socialist transformation of agriculture, rural land has belonged to the collective, and the system of private ownership by peasants no longer exists. That the land belongs to the collective means that the peasants have common ownership rights to it in the form of collective groups, so that each peasant retains a fraction of the ownership rights over the land belonging to his collective. Because of the existence of crop prices at present, a peasant household that has transferred its land to another household will pay more for the grain it consumes than it used to when it grew the grain itself on its contracted land. It is therefore necessary that the household receiving the land gives a certain compensation, for instance, a certain amount of grain. Second, compensation for the work and investment in the land by the household transferring it to another. Marx said: "The advantage of land is that successive investments produce benefits without eliminating the function of the previous investments." ("Das Kapital," Vol 3, p 880) That is to say, only by continually increasing material investment can you raise its fertility and hence your income. If you only make use of the land without cultivating it, thus pillaging the land, you will destroy the ecological balance in agriculture, producing serious consequences. Therefore, when land contracts are transferred, the payment of compensation according to the amount of investment made by the transferring party and its results will encourage and protect the initiative of peasants in land investment.

Could the transfer of land contracts change the collectively owned nature of the land? No, because the transfer of land contracts represents only a

change in usage rights and does not touch on its ownership rights. The household taking on the land must respect the contract taken over from the previous household, and must ensure the completion of the state and collective tasks. At the same time, the constitution stipulates that no organization or individual may occupy, buy, sell, rent, or transfer in any other unlawful way a piece of land. The constitution thereby ensures that the collective ownership system shall not be damaged.

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## RED FLAG SELECTS OUTSTANDING THEORETICAL ARTICLES

Beijing RED FLAG in Chinese No 13, 1 Jul 84 p 48

[Text] In order to promote theoretical work to better serve socialist construction, to encourage theoretical workers to face reality, to actively research real issues, to strengthen contact with the theoretical ranks, to foster young theoretical workers, and to improve the quality of RED FLAG articles, the magazine's editorial board has decided to begin selecting outstanding theoretical articles from RED FLAG. This selection process shall be carried out annually from now on.

The first selection process shall cover the articles printed in RED FLAG between the 3d Plenary Session of the 11th CPC Central Committee and the end of 1983, with emphasis on those articles published following the promulgation of the session's "Decision." The main subjects covered by these articles are as follows: The examination of the various practical problems arising in socialist modernization, or theoretical demonstrations and proof of the party's major policies and principles; the evaluation and criticism of the mistaken thinking and ideological trends that affect contemporary life and the thinking of the masses; and the elucidation of certain basic Marxist principles with the use of new materials concerning the development of natural science, productive forces, and socialist construction. Those articles written by party and state leaders and the editors shall not be eligible for selection.

The criteria for selection shall be as follows: a correct theoretical and political viewpoint; the linking of theory with reality, giving the article both a certain theoretical depth and a positive role in socialist modernization; and a good writing style.

Careful assessment will be made of the articles published between the end of the third plenary session and the end of 1983, and after seeking the opinions of experts, the best will be selected. Once this has been done, the selection committee will award a medal and prize money to the winning author, or in the case of authors who do not wish to accept money, the committee will award a special honor.

By this first selection the magazine hopes to gain the support of RED FLAG liaison personnel and readers throughout the country. We hope that they will actively participate in discussions on selection, and will send their opinions to RED FLAG Publishing House, Shatan, Beijing, before 20 July 1984.

## THE ABILITY AND POLITICAL INTEGRITY OF THE NEW 'BO LE'

Beijing RED FLAG in Chinese No 13, 1 Jul 84 inside back cover

[Article by Chu Shitong [0443 0013 0681]]

[Text] The incident of Chen Xiuyun, party branch secretary of the Harbin rectifier factory, trusting, using, and supporting An Zhendong is not only moving but inspirational. It makes us ponder what kind of personality and accomplishment should be possessed by those who are assigned to act as good "Bo Le's," whose task is to pick a large batch of young and middle-aged cadres to serve as leaders at all levels. In my opinion, to become a new "Bo Le" for the four modernizations, who is "perspicacious in identifying outstanding horses and dauntless in protecting talent," one should possess Chen Xiuyun-like ability and political integrity as required for cadre work in this new era.

As regards political integrity, the new "Bo Le" of this new era of socialist construction should, in the first place, be zealous in and committed to the implementation of the four modernizations. His dedication is a determinant in setting the objectives and criteria for picking and recommending talented personnel. That is to say, why does he have to pick and recommend talented personnel and whom should he pick and recommend? The objective in picking an outstanding horse is to help you travel a thousand miles a day. The objective in picking talented personnel is to let them speed up socialist construction. Those who lack initiative, stick to conventions, and follow the beaten path will not be and are unable to be enthusiastic in hunting and selecting talented personnel. Second, the new "Bo Le" should have the spirit of building a party serving the interests of the people, and a selfless vision. We have learned through practice that those who have been recommended and selected are more learned and competent than "Bo Le" himself and their future position will probably be higher than that of "Bo Le." To be a "Bo Le" a person should not, therefore, be afraid of being surpassed by others. On the contrary, he should be delighted to be surpassed. That is to say, he should sacrifice himself to make way for others to be promoted to a higher rank. "Those who are learned can transcend the earthly idea of gain and loss and only those who are guideless can hold dear talent." One who is narrow-minded and jealous of talent can never be a "Bo Le." Furthermore, a "Bo Le" should be courageous in opposing undesirable trends and going against the trend of the times. The main reason why those who are

"competent" have not been "picked" is that obstacles have been placed in the way by deluded or conservative forces. It is therefore necessary for a person to be resolute and daring to ignore gossip and trivialities, to be bold enough to remove all obstacles, and to even be prepared to run certain risk if he wants to have talented personnel appointed. At the time she appointed An Zhendong, Chen Xiuyun was prepared to be jailed and prosecuted as "antirevolutionary." She loved the four socialist modernizations more than she did her life and property. We should copy her dauntlessness and selflessness.

As regards ability, the ability of a "Bo Le" lies in his appreciation of others' qualities and capabilities, and his proper use of personnel. Some talented persons, particularly those who are in trouble, are often under certain restrictions and as a result they are not easy to spot nor is it easy for them to attract another's attention. They need to be discovered by a "Bo Le" who will study and investigate them in depth and give them a chance to demonstrate their competence and to make proper contributions to the four modernizations. While they were together, Chen Xiuyun analyzed An Zhendong's character, family background, and experience and his file. She was skeptical about An's being labeled "antirevolutionary." She proposed to reinvestigate An's case. After a period of hard work, Chen checked on An's so-called historical problems and gained a true understanding of the latter's competence. A "Bo Le's" ability lies in his discovery of "outstanding horses" who have been neglected and deprived of the chance to display their gifted competence and, as a result, have even failed to surpass "ordinary horses." "Bo Le's" of this new era should be capable, through practice, of hunting for talented people who have not been given a chance to display their wonderful potentials. Since Chen Xiuyun was able to know her subordinates well enough to assign them jobs commensurate with their abilities and possessed the superb quality of being party-oriented, she could act like a magnet, successfully attracting talent. Li Jian, the incumbent deputy director of the factory who had transferred out some time ago, hesitated whether he should go back and work with the factory as he was an acquaintance of a cadre who had purged Chen. Chen approached him and said: "I've come to invite you to work for the cause. I'm not asking you for your vote." Li Jian and other technical staff returned to the factory one after another. The workers said: "As our society's intellectuals are launching a 'return to the homeland' campaign, our former fellow workers are also coming back." Though she might not have studied personnel management, Chen Xiuyun has really proved herself to be profoundly skillful in picking, using, and protecting talented persons, as shown from her past performance.

In order to achieve the four modernizations, we are in need of thousands of talents of various types. In a certain sense, we are particularly in need of "Bo Le's" who are well versed in the party's policies, and are daring, and know how to choose the right person for the right job. I earnestly hope that our party leaders at all levels and cadres of various organizations and departments can become the new "Bo Le's" of this era of socialist construction.

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# BRIEF REVIEW OF 'MARX AND ENGELS' ROAD OF LIFE'

Beijing RED FLAG in Chinese No 13, 1 Jul 84 outside back cover

[Book review by Jai Feixian [6328 7236 6343]]

[Text] "Marx and Engels' Road of Life" (by Luan Fugui [2940 2105 2710] and Wang Xingbin [3769 5281 2430], published by the Liaoning People's Publishing House) is a political book for popular use, suitable for the broad masses of young readers.

This book chronicles clearly and vividly the glorious life of Marx and Engels. It depicts their tenacious quest for the communist ideal, their incomparable loyalty to the cause of the liberation of the working class, and their tenacious assiduity in carrying out research on and exploring scientific knowledge and revolutionary theory. It also pictures them as sincere and unselfish to their friends, remaining loyal to love, and describes their rich, colorful, lively, and interesting family life. From the moment they took the road of socialism, they constantly followed the set objective and advanced firmly. No matter what--neither the ruthless persecution of the revolutionary government, vile attacks by enemies of all hues, nor the torments of a difficult life or the suffering of serious illness--nothing could shake their faith in the inevitable victory of communism. They considered working for the interests of the vast majority and fighting for the emancipation of mankind as the greatest happiness in life. They are the greatest scientific masters in the history of humanity; they had to go through all kinds of hardships while seeking the rugged path of truth, and they spent the energy of a lifetime to found the theory of scientific communism. The genius of their contribution to the liberation movement of the international proletariat will live forever. Nevertheless, they abhorred all cults of personality, and sought no rewards. Through the many stories on Marx and Engels' daily life, this book reveals the two teachers' road of life.

The authors adopted a comprehensive technique, taking the two teachers' heroic experiences fighting for communism as the main line and taking the views of life described in such articles as "On Scientific Research," "On Friendship," "On Love," "On Life," "On Children," and so on as subsidiary lines. They showed Marx and Engels' selfless fighting spirit and their indomitable will in overcoming difficulties. The authors showed the

scientific method and the spirit of endeavor the two teachers developed in founding the theory of the proletariat, their noble values, and their sense of happiness and morals. For instance, in the article "On Scientific Research," the authors told in detail how Marx and Engels painstakingly researched philosophy, political economy, scientific socialism, and the history of human societies and paid attention to understanding and studying natural science. They considered science as the strong lever of history and as the revolutionary force carrying the highest significance. Therefore, like sea sponges absorbing water, Marx and Engels absorbed all the excellent cultural fruits of humanity and for years carried out creative research. In the article "On Friendship," the authors described the two teachers fighting side by side during revolutionary struggles, sharing and cooperating with each other in their scientific research, caring for each other in life, and mentally encouraging each other, as well as showing the sincerest and purest friendship whenever they had to go through thick and thin together, standing in the same storm-tossed boat. These few events set great example for us for researching Marxist theory and for building up a vigorous socialist culture.

This book offers descriptions of the broad picture of history as well as details of life. It lays particular emphasis on introducing in short articles the two teachers' struggle experiences and road of life. It will help the hundreds of millions of young Chinese understand and become familiar with Marx and Engels' road of life as well as receive from it a lively teaching on communist thought.

A weakness of this book is that the authors failed to tell clearly enough how Marx and Engels achieved the process of transforming themselves into communists.

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